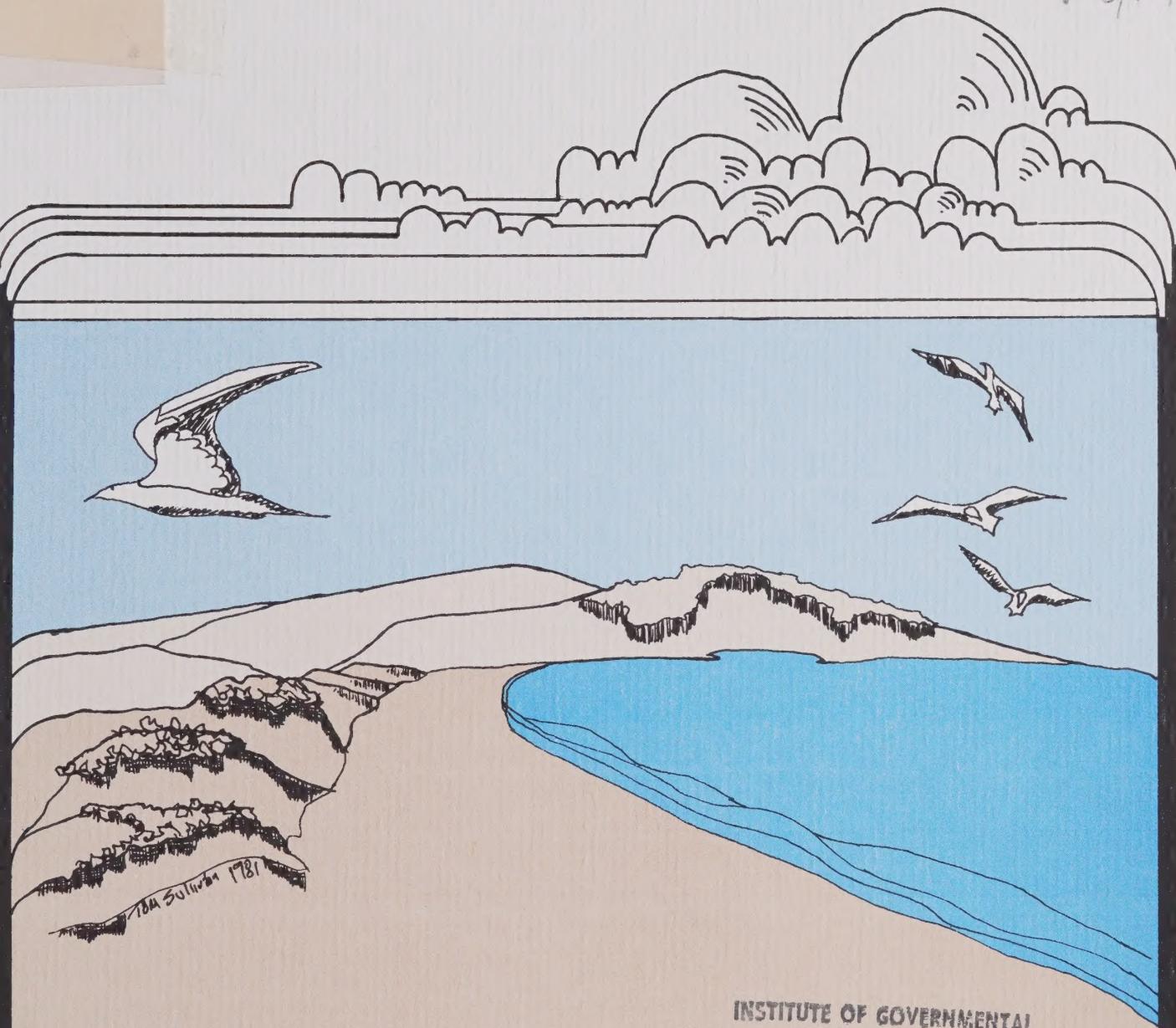


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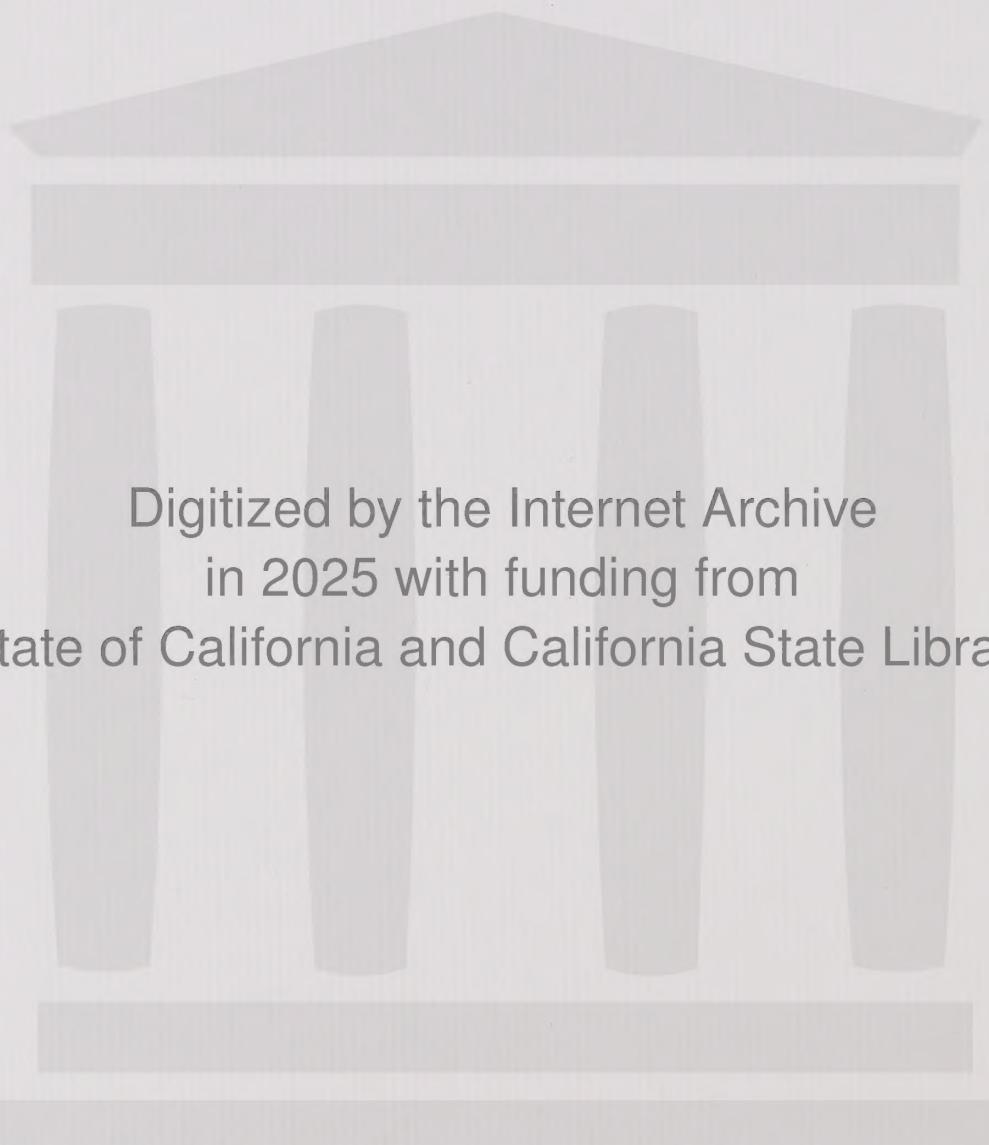
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# CITY OF GROVER CITY

HOUSING ELEMENT



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## HOUSING ELEMENT

FOR

CITY OF GROVER CITY  
CALIFORNIA

Prepared By

City of Grover City  
Planning Department  
154 South Eighth Street  
Grover City, California 93433

Approved by Planning Commission on October 14, 1986

Certified by City Council on November 3, 1986



CITY OF GROVER CITY

HOUSING ELEMENT

JULY, 1986

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## I. INTRODUCTION

### A. HOUSING ELEMENT REQUIREMENTS

The housing element of local general plans became a mandatory general plan element in 1969. Two years later the State Department of Housing and Community Development (HCD) adopted Housing Element Guidelines which, in 1976, were promulgated as regulations. Soon after these regulations went into effect, the original 1971 guidelines were revised. HCD adopted revised Housing Element Guidelines in 1977. As state regulations, the Guidelines are binding on all counties and cities, including charter cities. These new regulations, which require more specific treatment of the housing element analysis than earlier regulations, became operative for San Luis Obispo County and its communities on October 1, 1981.

Because the original Housing Element was a thoroughly researched, well-prepared planning document, it has not been necessary to make significant revisions to comply with the new state requirements. Changes principally consist of updating to the extent possible the housing data base and expansion of the implementation section. The goals, objectives and intent of the originally adopted Housing Element have been retained with some changes necessary to bring the Housing Element into conformity with the Guidelines. The 1980 census material and more recent data compiled by San Luis Obispo County and the San Luis Obispo Council of Governments have been integrated into this revision.

### B. CONTENT OF THE HOUSING ELEMENT

This report is intended to help meet state housing objectives and policies, and more particularly to present those objectives and policies relating to the needs of Grover City residents. To supply these residents with "adequate" housing involves the coordination of many components of the development process. A high quality housing unit is one that incorporates more than good design and craftsmanship. Public facilities, community resources, infrastructure, and what type of person will occupy the unit must also be considered. The planning for housing, therefore, is a process which requires individual family, business and public policy decision.

Included in the report are many references to the "condition of housing." Data on housing condition is important because it establishes the extent and condition of the current supply as a benchmark against which improvement programs can be measured. The following definitions serve as criteria for measuring the condition of structures and were used for the housing survey conducted within the Planning Area. Further definitions to terms used throughout this report are contained in Appendix A.

- (1) Sound housing is defined as that which has no defects or only slight defects which are normally corrected during the course of regular maintenance. Examples of slight defects are: lack of paint; slight damage to porch or steps; slight wearing away of mortar between bricks or other masonry; small cracks in walls, plaster, or chimney; cracked windows; slight wear on floors, door sills, door frames, window sills or window frames; and broken gutters or down spouts.

- (2) Deteriorated housing needs more repair than would be provided in the course of regular maintenance. Such housing has one or more defects of intermediate nature that must be corrected if the unit is to continue to provide safe and adequate shelter. Examples of intermediate defects are: holes, open cracks, rotten, loose or missing materials over a small area of the foundation, walls, roof or ceiling; shaky or unsafe porch steps or railings; broken or missing window panes, rotten or loose window frames; sashes that are no longer rain-proof or wind-proof; broken or loose stair treads or loose or missing risers, banisters or railings of inside or outside stairs; deep wear on the door sills, door frames, outside or inside steps or floors; missing brick or cracks in the chimney which are not serious enough to be fire hazards; and makeshift chimneys such as a stove pipe or other uninsulated pipe leading directly from the stove to the outside through a hole in the roof, wall or window. Such defects are signs of neglect which lead to serious structural deterioration or damage if not corrected.
- (3) Dilapidated housing does not provide safe and adequate shelter and its present condition endangers the health, safety and well-being of the occupants. Such housing has one or more critical defects or has a combination of intermediate defects of sufficient number or extent to require considerable repair or rebuilding; or, it is of inadequate original construction--the defects are either so critical or so widespread that the structure should be extensively repaired, rebuilt or torn down. (U.S. Department of Commerce, Census of Housing, 1980.)

### C. REPORT ORGANIZATION

The report is organized into seven sections and arranged logically to take the reader through the sequence of housing problems. The first section is the Introduction, and the second section is a Summary of the City Housing Characteristics. The third section, Community Profile, provides characteristics of the existing and future population. The forth section, Housing Profile and Related Problems, identifies the existing stock and relates its adequacy to the needs and resources of the community. The fifth section, Factors Impeding the Solution of the Housing Problem, analyzes factors relating to the economy, government, and society which would prohibit the attainment of good housing for all residents. The sixth section, Housing Programs, sets forth the recommended goals, policies and programs, and section seven presents the Implementation proposals.

The Housing Component of the city's Local Coastal Program is adopted by reference. The Housing Component is intended to complement and expand upon the Housing Element within the Coastal Zone.

## II. SUMMARY OF CITY HOUSING CHARACTERISTICS

The following discussion summarizes the principal findings and conclusions of the Housing Element:

The three cities of Grover City, Arroyo Grande, and Pismo Beach are expected to grow at a rate slightly higher than the County as a whole over the next twenty (20) years. Grover City's share of the three-city area is expected to remain fairly constant throughout this period.

Grover City shows an atypical population-age pyramid. Nearly fifteen percent of the citizens are 65 or over; this percentage is expected to increase. The total number of youth aged 5 to 19 will decline relative to total population. As this trend occurs, the need for public facilities needed to serve the youth will likely level off while the demand for community planning and facilities for an older population will increase.

In 1980, the median Grover City household income was \$12,340 annually, compared with \$14,104 for the three-city area, \$14,805 for the county and \$18,243 for the state.

In 1980, 95 percent of the total housing stock, or 3,725 units, were classified as sound housing. In 1984, the percentage of sound housing increased to 97 percent, or 4,069 units. In 1980, there were 190 substandard units or 5 percent of the total. Of these, 142 units are in deteriorated condition and 51 units are in dilapidated condition. Most of the substandard units are single-family units located south of Grand Avenue and are concentrated in census area 3.

There have been significant and fundamental changes in household formations and housing trends within Grover City. The single-family home is diminishing in dominance as the numbers of elderly persons, individuals living alone and female heads of households continue to increase. This implies a continued demand for multifamily units and less costly housing types.

The following 1980 estimates are indicators of housing need in Grover City:

- (1) There are approximately 155 Grover City households with handicapped persons.
- (2) Based on criteria established for certain governmental programs that a family should spend no more than 25 percent of household income on housing, and using 1980 data, 70 percent of Grover City families cannot "afford" the median priced home; 40 percent cannot "afford" the average rental unit.
- (3) Of the 190 substandard units, 98 units are of such marginal size that rehabilitation is questionable.
- (4) There are 766 households with a female head of household.
- (5) There are 928 elderly households with a head of household aged 65 or over.

- (6) There are 246 households classified as overcrowded, having 1.1 or more persons per room.
- (7) There are 829 households "overpaying" for housing.
- (8) The 1980 census reported 41 units that were without complete plumbing facilities.
- (9) Approximately 30 percent of the Grover City households qualify for the San Luis Obispo City Housing Authority Section 8 rent subsidy program.

The following discussion summarizes land use and community considerations with regard to housing need.

There are at least two distinct neighborhoods which share a common local identity. Grand Avenue separates the northern from the southern neighborhoods, and the differences are not only in physical appearance but also in social and economic make-up.

There is more than adequate vacant residential property to house the projected population increase. There may be the need, however, for changes in the zoning ordinance to accommodate different housing types.

The greatest public facility needs are for street improvements and the expansion of the sewer and water service district. Developers improving land will be required to connect to existing sewer facilities or install new facilities as a condition of approval of their development by the Planning Commission.

The Housing and Community Development Act of 1984 and the San Luis Obispo City Housing Authority offer positive governmental programs to aid low and moderate income families.

According to the Fair Share Allocation Plan, Grover City needs to increase the percentage of "above moderate" income households and decrease the percentage of "very low" income households.

Housing types which offer potential for meeting the housing needs within Grover City are multifamily dwellings with an emphasis on cluster development techniques, modular or factory built housing, and mobile homes within both mobile home parks and mobile home subdivisions.

### III. COMMUNITY PROFILE

The citizens of a community are its basic resource. The characteristics of a population are the best indicators of the level and demand for services which can be expected in the future. Characteristics of the Grover City population and of the region are taken from the 1980 Federal Census, and from State Department of Finance data and estimates.

#### A. POPULATION TRENDS

Table I presents a general summary of population characteristics for Grover City, the three-city area (Grover City, Pismo Beach and Arroyo Grande) and San Luis Obispo County.

TABLE 1  
GENERAL POPULATION CHARACTERISTICS

	POPULATION			HOUSING UNITS		
	1980	1985	% Change	1980	1986*	Persons Per Household 86*
GROVER CITY	8,827	9,661	13.5	3,917	4,425	2.56
3-CITIES	25,190	28,829	16.4	11,826	13,723	2.40 (avg)
SLO COUNTY	155,435	177,510	14.8	66,070	78,362	2.54

SOURCES: 1980 Census; California Department of Finance, May 1985, Report E-5;  
\*California Department of Finance, Population Research Unit, estimates for January 1, 1986.

All three areas have shown significant growth in the past 10 years. During the same period, the state and the nation as a whole have grown at a rate of more than one percent per year. Equally important is the growth in the number of households. The large percentage of increases in household formation reflect changing population characteristics including more childless couples, elderly couples and persons living alone.

Table 2 presents population projections for Grover City, the three-city area and San Luis Obispo County. The data in this table shows a steady growth rate for Grover City but a declining percentage of total county population until the year 2000. The three-city area, however, shows a slight increase in the percentage of the county total, indicating significant growth in Arroyo Grande and Pismo Beach.

All of these population projections are based on trend lines and reflect long-term and general growth patterns. They are not influenced by short-term increases or decreases in the growth rate caused by natural or political factors. Based on these projections, the average annual growth rate for Grover City, the three-city area and San Luis Obispo County for the next 20 years is 2 percent.

TABLE 2  
POPULATION PROJECTIONS

	1980	1985	1990	1995	2000	2005	2010
GROVER CITY	8,827	9,661	11,310	12,650	13,930	15,100	16,470
3-CITIES	25,650	28,870	33,090	36,990	40,740	44,320	48,170
SLO COUNTY	156,900	183,600	200,510	233,100	256,710	279,700	303,520

SOURCE: California Department of Finance, January 4, 1985.

#### B. RACIAL AND ETHNIC CHARACTER

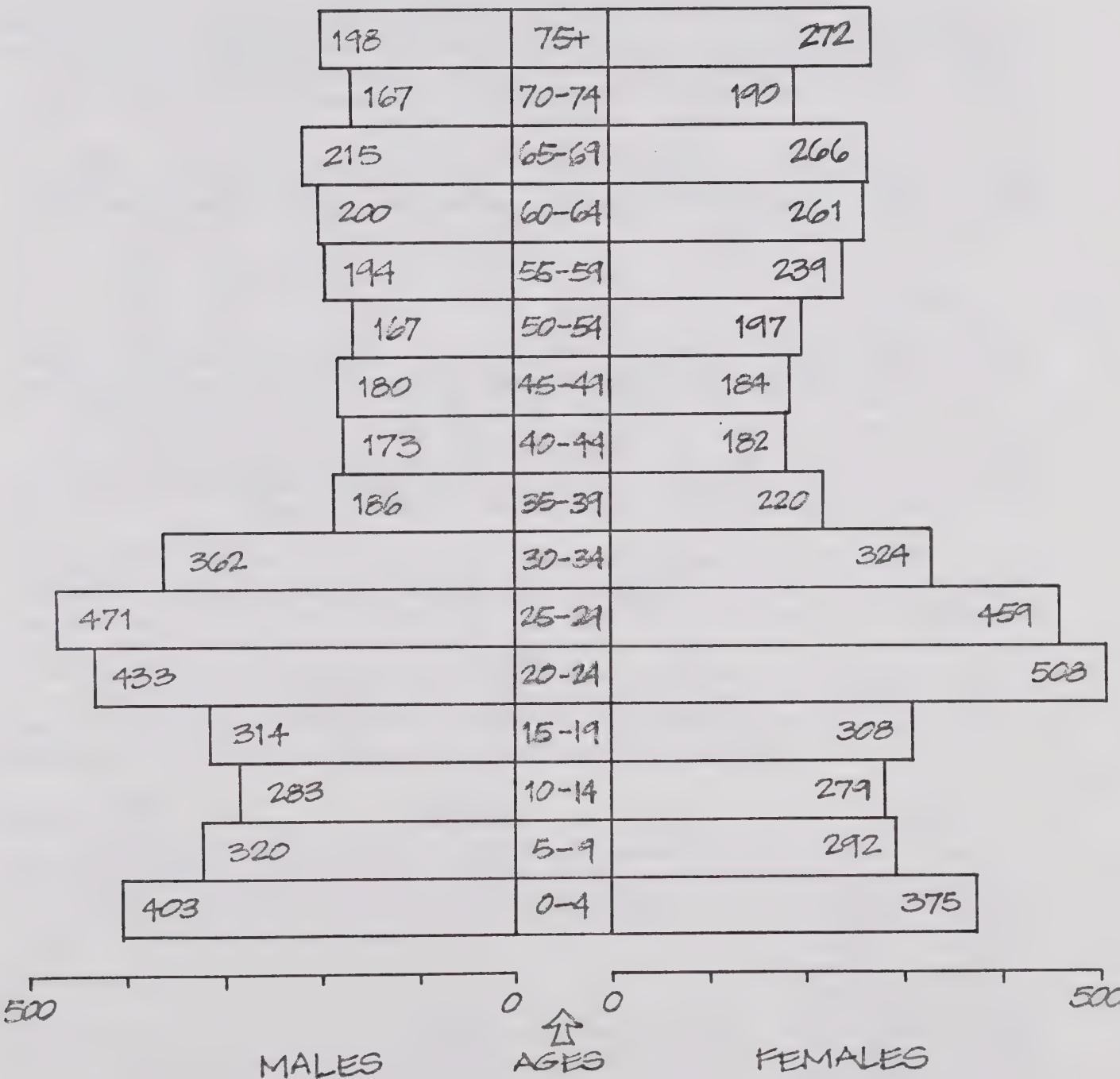
The 1980 census counts provide the most recent data on racial character. In 1980, the white population comprised 83.4 percent, the black population comprised 1.0 percent, American Indian Eskimo/Aleut population comprised 1.6 percent and Asians/Pacific Island comprised 4.7 percent. Other racial and ethnic groups comprised 9.3 percent. The "white" category of the U.S. Census includes Mexican-Americans and persons with Spanish surnames. While Grover City is by no means typical of similar sized California communities in terms of its racial composition, it contains a larger percentage of a non-white population than the region or county. There is often a direct correlation between localities with a larger proportion of racial and ethnic minorities and localities with larger numbers of physically substandard housing.

#### C. AGE DISTRIBUTION

Figure 1 shows the population age pyramid for Grover City taken from the 1980 Census. The pyramid shape is atypical, reflecting a large number of elderly and retired persons and a declining birth rate. Grover City has a relatively old population with a median age of 29.8 years. Nearly 15 percent of the population is over the age of 65, and 40 percent of the population is under 24 years of age. The large population in the 20 to 34 age group or cohort is the result of several factors:

- (1) The post World War II "baby boom" population is moving through the pyramid. This age group is remaining single at a greater rate, and couples either are having fewer children or are delaying childbirth.

FIGURE 1  
GROVER CITY POPULATION PYRAMID, 1980.



SOURCE: 1980 CENSUS OF POPULATION

- (2) Grover City has retained large numbers of young adults following high school graduation.
- (3) There is a constant immigration of students in the 18 to 24 age cohort attending California Polytechnic State University, San Luis Obispo.

The 20 to 34 age group can be expected to increase and the total number of youth can be expected to decline relative to the rest of the community. As these trends occur, the need for public facilities built to serve the youth will likely level off and possibly decrease while the demand for community planning for the older population will continue to increase.

The sex ratio of the community is .94. For every 100 males, there are 106 females. This relationship is especially noticeable in the 70 and older age group.

#### D. INCOME

The average household income in Grover City, as identified in the 1980 Census, is substantially below the three-city area, the county and the state medians. The median Grover City household income is \$12,340 annually, compared with \$14,104 annually for the three-city area, \$14,805 for the county and \$18,243 annually for the state. The reasons for this discrepancy are many, but mainly they relate to the large elderly population on fixed incomes, the large student population and the relatively large percentage of unemployed.

Table 3 gives the reported income levels for Grover City in 1980. The table shows that the largest percentile of earnings was between \$10,000 and \$14,000 per year.

TABLE 3  
GROVER CITY HOUSEHOLD INCOME, 1980

CATEGORY	TOTAL HOUSEHOLDS	PERCENT
Less than \$5,000	569	17
\$ 5,000 - \$ 7,499	356	10
\$ 7,500 - \$ 9,999	436	13
\$10,000 - \$14,999	685	20
\$15,000 - \$19,999	531	16
\$20,000 - \$24,999	343	10
\$25,000 - \$34,999	309	9
\$35,000 - \$49,999	140	4
Over \$50,000	53	1

SOURCE: 1980 Census for Grover City

## E. EMPLOYMENT AND LABOR FORCE

In 1980 the unemployment rate in Grover City approached 9.5 percent. This high rate is related to the many persons who listed their occupation as agriculture or construction -- both seasonal in nature and historically high in unemployment. More than 14.8 percent of the total population is retired. These persons, combined with those otherwise not in the labor force, created a dependency load for those who were employed in 1980. The burden is not as great as many other communities, however, because the elderly population does have an income from retirement and/or social security.

The largest occupational group are in services, reflecting the dependence on tourism within the Grover City economy. Over the last 5 years the manufacturing in Grover City has continually expanded. The manufacturing base is expected to grow throughout the 1980's and into the 1990's. The major reason for this projected growth is a surplus of land available that should remain reasonably priced. Many residents of Grover City work outside of the city, primarily in San Luis Obispo and Arroyo Grande. To a lesser extent, city residents commute to the Santa Maria area and to the P.G. & E. Diablo Canyon Nuclear Power Plant in Avila Beach for employment. It may also be significant that residents found work in other locations but could not find, or perhaps could not afford housing in those locations.

## F. SPECIAL NEED POPULATION GROUPS

### 1. The Handicapped

The State Department of Rehabilitation has estimated that 3.9 percent of total county households have handicapped persons. If this percentage is applied at a similar ratio to percentage of county population of Grover City, it can be assumed that approximately 155 handicapped persons reside with the City. While all of these handicapped persons do not have debilitating handicaps requiring special facilities, the number is significant in terms of providing adequate housing and facilities to meet the special needs of this group.

### 2. Students

The City of Grover City provides a significant amount of student housing, primarily for students attending California Polytechnic State University at San Luis Obispo. A relatively large student population contributes to the demand for lower cost rental housing.

### 3. Elderly

As noted earlier, Grover City is similar to the county as a whole because it has a large and fast-growing population of elderly residents. This segment of the population creates special needs in terms of access to medical facilities and public transportation and very often lower cost housing within close proximity to various services.



## IV. HOUSING PROFILE AND RELATED PROBLEMS

### A. HOUSING QUANTITY

The growth rate since 1970 for both population and housing units has been much higher for Grover City than for the state and nation. In 1980, the City had 3,917 units for a population of 8,827. From 1980 to 1985 there was a net gain of 508 housing units. There were 83 housing units approved for construction in the Coastal Zone after January 1, 1982. More than one quarter of all the housing units in Grover City have been built since 1975. At a land absorption rate of about four units per gross acre, this means that 225 acres were converted from vacant and agricultural land to residential, commercial and city service uses during the past ten years.

An analysis of building permit activity during the past 8 years indicates both periods of rapid growth and trends in the types of residential units being constructed. The building permit data are summarized in Table 4 and are described in the following sections.

#### 1. Single-Family Housing

The single-family home is still the predominant housing type comprising 64 percent of the total units in the city. If mobile home units are included as single-family residences, the percentage increases to 67 percent which is low compared to many California cities. This low percentage can be attributed to the many multiplexes and apartments which have been constructed over the last five years. The building permit data includes condominium units as single-family housing.

Table 5 shows that single family units have been remaining relatively constant as a percentage of total construction over the last five years. The high, in 1981, was 76%. The low was in 1985 when single family units accounted for 54% of total construction. While the percentage has remained fairly constant, the total number of single family units built in 1985 was 5 times the number built in 1981.

#### 2. Multifamily Housing

The multifamily housing market comprises multiplexes (2 to 4 units) and apartments (over 4 units). As can be seen in Table 4, multiple family housing units make up a significant percentage of total housing starts. In 1981, multifamily units constituted 47% of total housing starts. In the next 3 years, the percentage began to decline; but in 1985, the percentage climbed back up to 45%. The rise in numbers of multifamily units can be attributed to several market factors:

- (1) The in-filling of vacant land in developed areas makes small, odd-shaped parcels more suitable for small-scale multifamily construction than for other types of development.
- (2) As a result of the demolition of substandard single-family houses, small lots are often made available for multiplex development.

- (3) The economics of single unit development have made the construction of less-cost-per-unit multiplexes more desirable.
- (4) Rising housing costs and the large number of retired persons have increased the demand for both rental units and rental and owner occupied units at higher densities.

The ratio of multiplex housing starts to the total housing stock has been much higher for Grover City than for the three-city area, the county, the state and the nation. The trend has been exceptionally strong since 1972 with rates from two to three times higher than for the other study areas.

Until recently, the construction of apartments (5+ units) has not been particularly strong in Grover City, with development rates historically lagging behind the rest of the county, state and nation. As a general rule, peak years for apartment construction in Grover City have mirrored peak years throughout the county.

TABLE 4  
GROVER CITY BUILDING PERMITS, 1978 - 1985

YEAR	TOTAL UNITS	SINGLE FAMILY	MULTIPLEX UNITS (2 - 4 UNITS)	APARTMENT UNITS	MOBILE HOMES
1978	187	138	40	8	1
1979	125	80	38	5	2
1980	75	53	22	0	0
1981	45	34	15	6	0
1982	78	45	12	21	0
1983	139	99	35	5	0
1984	140	102	25	12	1
1985	282	153	33	95	1

SOURCE: City of Grover City Building Department

### 3. Mobile Homes

Growth in the mobile home industry has been rapid in the United States and it is reflected in the growth of this housing type locally. In 1960, there were 93 mobile homes in Grover City; today there are 223 with all but 19 mobile homes located in mobile home parks. The growth of mobile homes was relatively steady prior to 1978; since 1978, 5 mobile home permits have been issued by the City. The decline of mobile home permits in the mid-seventies corresponds with the nationwide decline in mobile home sales. The ratio of mobile home permits to the total housing stock in Grover City has remained nearly equal to the ratios for the rest of the county, state and nation.

#### 4. Vacancy Rates

Table 5 shows the vacancy rates by housing type for 1980. According to 1980 data, 11 percent of all existing units were vacant. The table, however, is misleading because of the 267 vacant single family homes only 136 were actually on the market and available for new occupants. The remainder of the homes were either second homes, migrating farm workers housing or seasonal housing used for recreation. The same vacancy patterns also apply to multiplexes and mobile homes. Table 6 shows the adjusted vacancy rate based upon these factors.

TABLE 5  
VACANCIES BY TYPE FOR GROVER CITY

Housing Type	Total Units	Number Vacant	Percent	Percent of Total Vacancies
Single-Family	2,770	267	9.6	59.1
Multiplex (2-9)	823	118	14.3	26.1
Apartments (10+)	122	21	17.2	4.6
Mobile Homes	202	46	22.7	10.2
TOTAL	3,917	452	11.5	100.0

SOURCE: 1980 Census

TABLE 6  
ADJUSTED VACANCIES BY TYPE FOR GROVER CITY

Housing Type	Total Units	Adjusted Number Vacant	Percent	Percent of Total Vacancies
Single-Family	2,770	136	4.9	59.1
Multiplex (2-9)	823	60	7.3	26.1
Apartments (10+)	122	11	9.0	4.6
Mobile Homes	202	24	11.9	10.2
TOTAL	3,917	231	5.9	100.0

SOURCE: 1980 Census

The combined adjusted vacancy rate for single-family units (including single family and mobile homes) is 6.4 percent. The combined rate for multifamily (multiplex and apartments) is 7.5 percent.

In the early 1980's a housing shortage was created by an influx of several thousand workers primarily at the Diablo Canyon Nuclear Power Plant. In this period rents increased dramatically. Now that most of the workers have been laid off, the vacancy rate has increased while rent prices have fallen.

##### 5. Population per Household

Grover City's population per household has declined from 3.11 persons in 1960 to 2.55 persons per household in 1980. This decline can be attributed to a lower birthrate and changing lifestyles. This factor has a significant impact in terms of urban growth. Despite the slower population growth rate, the formation of new households and the demand for new and replacement housing has been steadily increasing.

Since 1980, the number of persons per household has begun to level off and, in 1982, a low of 2.531 was reached. Since 1982 the figure has increased reaching an estimated 2.563 in 1986.

Person per household rates vary between different housing types. The rates for multifamily units are especially high and reflect the many families that cannot afford a single family unit. The following Table 7 summarizes the 1980 population per household figures by household type.

TABLE 7  
1980 PERSONS PER HOUSEHOLD BY TYPE FOR GROVER CITY

Housing Type	Households	Population	Persons per Unit
Single Family	2,676	7,265	2.715
Multiplex (2-9)	738	1,832	2.483
Apartments (10+)	165	359	2.176
Mobile Homes	284	469	1.651
TOTAL	3,863	9,925	2.576

SOURCE: 1980 Census

##### 6. Housing Age and Value

Much of the original Grover City housing stock was constructed after World War II and was intended for use as second homes and for recreation purposes. The remnants of this period now function as year-round housing and from the majority of the City's lower cost units. Unfortunately, many of these units have fallen into substandard condition.

Sixth-three percent of the housing stock is 10 years old or older, with 41 percent of the stock more than 20 years old. There are an estimated 760 units within the City which are older than 30 years. Because demolitions are directly related to housing unit age, it can be expected that demolition as well as abandonment and conversions will increase in the future as the older housing stock continues to age if rehabilitation does not occur.

Only in recent years have more expensive housing units been constructed within the City, and as a result, median housing values have been comparatively low. In 1980, the median value for an owner occupied housing unit was \$62,000. Historically, Grover City has been considerably lower in this category than the state as a whole.

Certain governmental programs have established the criteria that a low, moderate or fixed income family should spend no more than 25 percent of its gross monthly income for shelter. Some conventional lending institutions in the area, however, are using a criteria of 36 percent gross monthly income when evaluating middle and upper income families for home loans. Using the 25 percent criteria, an estimated 70 percent of all Grover City families could not afford the median priced home in 1980.

According to 1980 housing cost estimates, the price of new single family housing began at \$65,000. Only a small percentage cost over \$150,000. Since new home prices were rising at such a fast rate, there is a strong market for older homes, especially if they could be repaired and resold in the price range of a low-cost new home. Through the early 1980's, housing prices continued to soar, growing at a faster rate than personal income; consequently, more and more families are being priced out of the housing market.

The median contract rent in 1980 for renter-occupied units was \$255.00 compared to the state median of \$253.00. Using this figure and the 25 percent government gross monthly income factor, an estimated 40 percent of Grover City families could not afford the average rental unit in 1980. Only 193 units, or 11 percent of the total rental units, in 1980 rented for less than \$250.00 per month.

## B. HOUSING QUALITY

In conjunction with the preparation of the Housing Element, the Grover City staff conducted a comprehensive housing quality survey within the city in 1980. The 1980 Federal Census of housing criteria was used to determine housing quality. Table 8 summarizes the city-wide results of the survey; these are graphically shown in Figure 2.

**FIGURE 2**  
HOUSING QUALITY BY AREA, 1980.

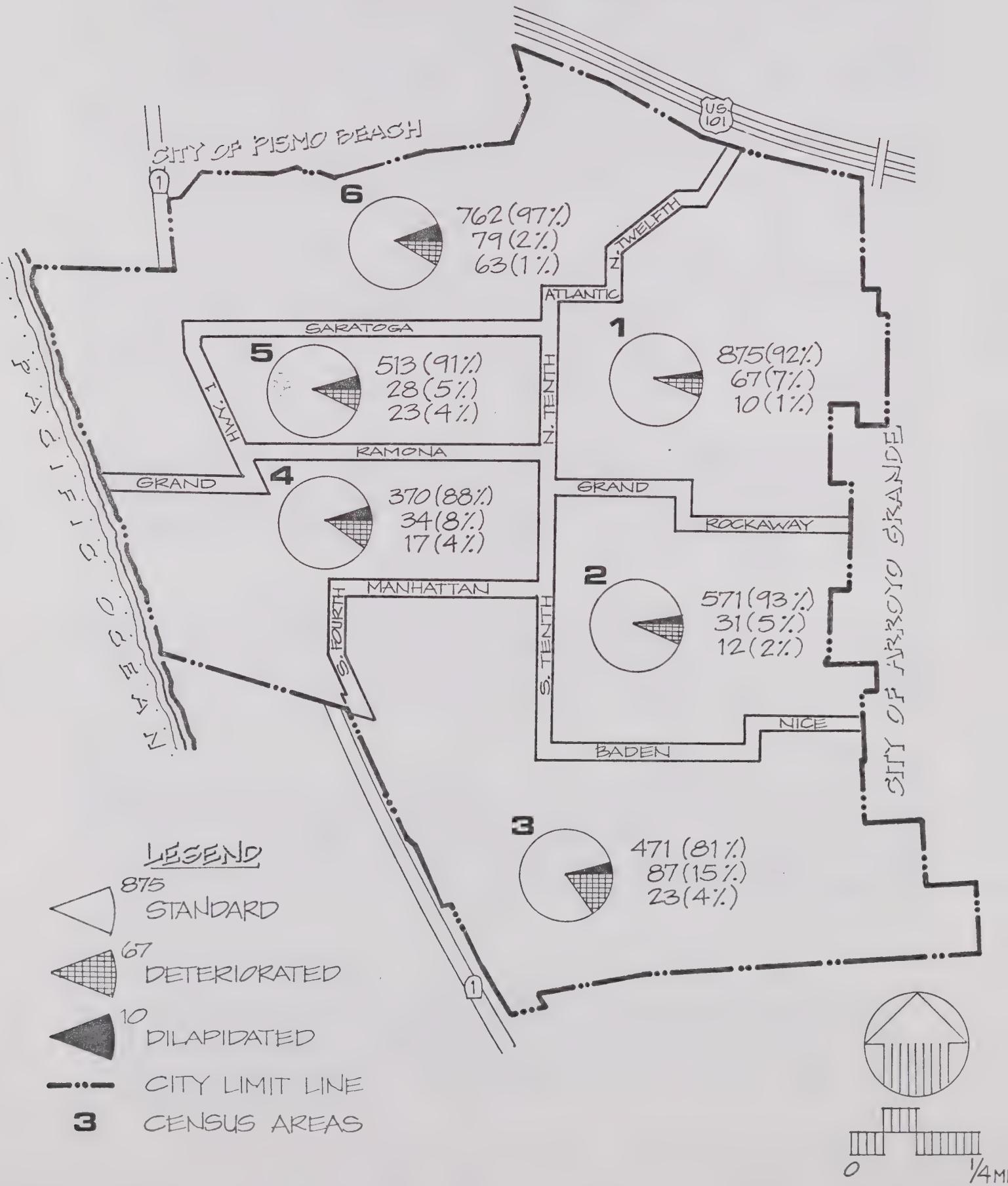


TABLE 8  
1980 HOUSING QUALITY SURVEY

Housing Type	Standard Number	Standard %Total	Deteriorated Number	Deteriorated %Total	Dilapidated Number	Dilapidated %Total
Single Family	2,612	94.3	107	3.9	51	1.8
Multiplex (2-9)	804	97.7	19	2.3	0	0
Apartments (10+)	112	91.8	10	8.2	0	0
Mobile Homes	185	97.5	10	2.5	5	0
TOTAL	3,713	95.0	146	3.7	56	1.3

SOURCE: City of Grover City Planning Department, 1980

The data in Table 8 indicates that 95 percent of the housing stock is in standard condition. The majority of the substandard housing is single-family units. The only dilapidated units are single-family and mobile homes.

In 1970 91 percent of all units were found to be standard. When comparing housing quality data from different years, it should be remembered that such surveys are subjective and their accuracy depends upon several factors including the competency of the surveyors, their understanding of the criteria and so forth. The increase in the number of sound units can be attributed to new construction, not to any significant rehabilitation. There were 200 deteriorating units and 72 dilapidated units in 1970, indicating a decrease in the number of deteriorating units (146 in 1980) and a decrease in dilapidated units (56 in 1980).

Marginal size of the unit and zoning conformity were also reviewed during the survey of housing quality. Marginal size was defined as a single-family unit less than 800 square feet. A unit was judged to be non-conforming if it did not meet the requirements of its zoning district. Table 9 summarizes the housing quality with regard to conformity.

Data in the table indicates important potential problem areas:

- (1) Standard units which are small in size or which are in commercial or industrial zoned areas have a strong potential to fall into a deteriorated condition.
- (2) If a deteriorated unit is marginal or non-conforming, then the priority for rehabilitation is less than for other deteriorated units.
- (3) Dilapidated units in these categories indicated that residential reconstruction following demolition may be difficult.

TABLE 9  
1980 MARGINAL AND NON-CONFORMING UNITS

Housing Type	Condition of Housing	Number of Marginal Size	Non-Conforming Units
Single-Family	Standard	122	142
	Deteriorated	69	35
	Dilapidated	28	19
Multiplex (2-9)	Standard	0	36
	Deteriorated	4	6
Apartments (10+)	Standard	0	12
	Deteriorated	0	0
Mobile Homes	Standard	0	155
	Deteriorated	0	0

SOURCE: City of Grover City, 1980

### C. SPECIAL HOUSING SITUATIONS

It is important to look at the way in which different types of households are accommodated by the city's housing stock. There are six primary household types defined by the census: the husband-wife couple; the husband-wife family; other family male (male not related to the family head); other family female; the individual male; and the individual female. In addition, it is important to look at the numbers of owners vs. renters, large families (5 or more persons), female heads of households, elderly households and other special groups. Table 10 summarizes the distribution of household types in each of the four housing types.

In general, the table indicates that the single-family home accommodates between 59 percent and 77 percent of each type of household. This is a significant decrease from 1970 when the single-family home accommodated between 72 percent and 87 percent of all household types. Husband-wife couples and husband-wife families together occupy 67% of the single family units.

In contrast, multiplexes and mobile homes attract higher proportions of individual types of households. Grover City is unusual because husband-wife families constitute the largest group in apartments; individuals and couples normally dominate this housing type. Since 1970, it appears that more individual type households have been attracted to apartments (46 percent) and the numbers of husband-wife families have declined (33 percent). While the overall number of housing units has increased by 37 percent since 1970, the number of renters is projected to have increased by 56 percent, while homeownership has increased by only 24 percent. The estimated changes in type of households since 1970 are given in Table 11.

TABLE 10  
1980 HOUSEHOLDS BY HOUSING TYPE  
GROVER CITY

Household Type	Single-Family	Multiplex (2-9 Units)	Apartments (10+ Units)	Mobile Homes	Total Households
Husband-Wife Couple	794	248	46	67	1,155
Husband-Wife Family	994	195	71	38	1,298
Other-Family-Male	64	18	5	5	92
Other-Family-Female	242	65	19	16	342
Individual Male	256	93	11	70	430
Individual Female	326	119	13	88	546
<b>Total</b>	<b>2,676</b>	<b>738</b>	<b>165</b>	<b>284</b>	<b>3,863</b>
Homeowners	1,643	162	0	255	2,060
Renters	940	628	166	69	1,803
Large Families*	467	37	0	0	504
Female Heads of Households	469	169	26	102	766
Elderly Households**	575	209	35	109	928

\*Families having 5 or more persons  
 \*\*Head of household is 62+ years old

SOURCE: 1980 Census

TABLE 11  
HOUSEHOLD CHANGE, GROVER CITY 1970 to 1980

TYPE OF HOUSEHOLD	PERCENT CHANGE
Husband-Wife Couples	40
Husband-Wife Family	33
Other Family-Male	39
Other Family-Female	38
Individual Male	46
Individual Female	42
Female Heads	41
Elderly (62+)	40
Minorities	37
Handicapped Members	17
Large Families (5+ persons)	-9
Crowded (1+ persons/room)	3

SOURCE: U.S. Bureau of Census, 1970 & 1980

According to the 1980 census counts, the city's population has increased since 1970 by 32.7 percent. Housing during the same period has increased by 42.5 percent in the City. Since 1980, the single-family unit has continued to constitute 64% of total housing stock.

#### D. HOUSING CHANGE ANALYSIS AND PROJECTIONS

##### 1. Housing Stock Estimates and Projections

Based on data contained in the previous sections, there have been significant and fundamental changes in household formation and housing trends within Grover City. Since 1980, the single family unit has continued to remain the dominant housing type, averaging about 64% of total housing stock. As the number of elderly persons, individuals living alone, and female household heads continue to increase, the demand for multifamily units and mobile homes also will continue. Table 12 shows housing stock estimates by type to the year 2010 based on these and other expected trends in household formation and population projections.

TABLE 12  
HOUSING STOCK ESTIMATES AND PROJECTIONS, GROVER CITY

CATEGORY	1985	1990	1995	2000	2005	2010
Total Housing Units	4,286	4,828	5,370	5,883	6,348	6,895
Single Family Percent	2,743 64	3,042 63	3,383 63	3,765 64	4,126 65	4,413 64
Multiplex (2-9) Percent	986 23	1,159 24	1,343 25	1,412 24	1,524 24	1,586 23
Apartments (10+) Percent	343 8	338 7	269 5	471 8	444 7	483 7
Mobile Homes Percent	214 5	289 6	375 7	235 4	254 4	413 6
Total Households Percent Vacant	3,863 9.87	4,435 8.86	4,961 8.25	5,463 7.69	5,922 7.19	6,439 7.08

SOURCE: U.S. Bureau of Census 1970 & 1980, projections by Grover City Planning Department

The following factors are reflected in the projections:

- (1) The increase in new units is due to a population increase.
- (2) There is a need to replace existing dilapidated housing.
- (3) There is a need to replace units which become dilapidated during the planning period.
- (4) There is a need to provide units for families living in overcrowded conditions.
- (5) There is a need for additional housing to provide a range of choice. This includes people who currently live in sound housing but who aspire to have a home which better meets the needs and is within their ability to pay.
- (6) There are special housing needs for low income families and the elderly.

Average population per household also has been considered. Recent rapid declines in population per household are not expected to continue. A leveling off of population is projected and a constant average of 2.5 persons per household is expected between 1980 and 2000.

The housing projections are based on the above factors and on trends established since 1970. They should not be considered as goals to be attained, but as a statement of the general magnitude of changes in total quantity and type which can be expected to occur over the planning period.

## 2. Housing Need

Table 12 shows that approximately 2,609 additional units will be needed by the year 2,010. During this period, the projected multifamily housing starts (multiplex and apartments) will average approximately 35 percent per year. Table 12 also can be used to roughly estimate the scope and type of new construction which could be expected in any given period.

## 3. Adequacy of the Housing Stock

A valid measure of the adequacy of the housing stock is provided by an analysis of households "poorly housed." The criteria include:

- (1) The number of physically substandard units;
- (2) The number of overcrowded households (1.01 or more persons per room);
- (3) The number of overpaying households (more than 25 percent of gross income for housing).

Households meeting one or more of these criteria are said to be "poorly housed." It is possible that a single household could meet all three criteria.

a. Physically Substandard Units

The 1980 housing quality survey identified 190 substandard units, both deteriorated and dilapidated. Substandard units are usually associated with low income families because such units constitute a major source of affordable housing; low incomes often prohibit significant rehabilitation.

b. The Number of Overcrowded Households

Overcrowding may occur voluntarily but the situation more often arises when families cannot find adequate housing at prices they can afford. When overcrowding does happen, it can lead to a more rapid deterioration of the housing stock. More than one person per room constitutes overcrowding. Although statistics indicate a continually declining number of overcrowded households, there remain an estimated 246 overcrowded units in Grover City.

c. Overpaying Households

The traditional measure of overpaying has been the expenditure of more than 25 percent of household income spent for housing. However, this is a figure established for certain governmental programs and pertains generally to low, moderate and fixed-income families. It should be remembered that many families voluntarily pay more than 25 percent of their income for housing and that this measure is probably not an accurate one for owner-occupied housing. In response to this, some conventional lending institutions use a criteria of 36 percent when evaluating middle and upper income families for home loans. The 25 percent criteria applies primarily to renters and is often indicative of the sacrifice of expenditures on food, clothing, medical costs and other necessities in order to meet housing costs. It is estimated that there are currently 829 overpaying households in Grover City.

d. Other Indicators

Lack of complete plumbing facilities is often used as an indicator of housing quality. Complete plumbing facilities are defined as hot and cold water inside the structure and a flush toilet and bathing facility inside the structure for the exclusive use of the occupants of that unit. The 1980 census reported 41 units with incomplete plumbing, or only 1 percent of the total units. Lack of complete plumbing facilities is most often used as a rough quality indicator in large metropolitan areas where a detailed housing survey is not possible.

## V. FACTORS IMPEDING THE SOLUTION OF HOUSING PROBLEMS

### A. RESIDENTIAL BUILD-OUT AND CAPACITY

There is enough vacant land within the existing city limits to accommodate projected growth to the year 2005. Based on current residential zoning, the potential number of units at build-out is estimated at 6,373 while population projections indicate the need for approximately 2,504 additional units during this period, including replaced demolitions. In addition to these units, there are approximately 325 housing units currently located in non-residential zones.

TABLE 13

RESIDENTIAL LAND BUILD-OUT CAPABILITY BY ZONING  
GROVER CITY, 1985

Zone	# Existing Units	# Vacant Lots	Acres	# Underdeveloped Lots	Acres	Present Capacity
R-A	35	3	4.7	30	177.4	285
R-1	1,195	79	18.4	56	48.1	1,560
R-2	1,218	28	5.7	434	68.4	1,995
R-3	1,382	23	6.7	309	69.4	2,499
M-H	34	0	0	0	0	34
TOTALS	3,864	133	35.5	829	363.3	6,373

SOURCE: City of Grover City Planning Department

While total acreage and number of units is adequate for estimated population growth, projections by housing type (Table 12) indicate that there is an over supply of single-family zoned property, an adequate supply of multi-family zoned property and a significant deficiency in the number of acres zoned for mobile home parks.

A significant percentage of the R-2 and R-3 lots within the City are currently underdeveloped. Many of these lots are occupied by older single family homes. It can be expected that units will not be added to most of these lots until the property is sold. Fiscal constraints on the owners or the placement of the existing structure on the lot are the main reasons units will not be added to most of these lots. After the existing structures become too costly to repair, demolition can be expected. These homes will probably be replaced by a project that has the maximum number of units allowed for the zone. These changes are expected to take place slowly but steadily as the existing residences become older and older.

Tables 14 and 15 summarize residential land build-out capability by zoning designation for the neighborhoods north and south of Grand Avenue. The highlights of Tables 14 and 15 are as follows:

- (1) The area south of Grand Avenue has greater potential for the construction of additional housing units than does the area north of Grand Avenue. Under current zoning, 1,554 units could be added south of Grand Avenue while 1,213 units could be added north of Grand Avenue.
- (2) Much of the R-2 and R-3 property north and south of Grand Avenue is underdeveloped. 1,894 units could be added in these two zones.
- (3) Most of the land available for housing, under current zoning, south of Grand Avenue, is being farmed. Currently this farmland, zoned Residential Agriculture, could be developed at a density of 2 units per acre.
- (4) Land available for R-1 uses, or single family residential uses, is divided fairly equally between the northern and southern portions of the City.

TABLE 14  
RESIDENTIAL LAND BUILD-OUT CAPABILITY BY ZONING  
NORTH OF GRAND AVENUE -- 1985

Census Area	Zoning	# Units Existing	# Vacant Lots	Acres	# Underdeveloped Lots	Acres	Present Capacity # Units
1	R-A	2	0	0	2	17.0	37
	R-1	212	5	.75	12	14.0	303
	R-2	345	3	.75	131	32.0	601
	R-3	335	1	.24	64	28.0	585
5	R-1	109	7	1.50	6	2.4	156
	R-2	258	13	2.50	123	20.0	469
	R-3	70	1	.20	43	7.5	213
6	R-1	472	56	12.80	19	9.1	607
	R-2	116	2	.40	29	5.2	153
	R-3	47	1	.20	2	.4	55
	M-H	34	0	0	0	0	
TOTALS	R-A	2	0	0	2	17.0	37
	R-1	793	68	15.1	37	106.6	1,066
	R-2	719	18	3.7	283	57.2	1,123
	R-3	452	3	.6	109	36.0	853
	M-H	34	0	0	0	0	34
	TOTAL	2,000	89	19.5	431	135.7	3,213

SOURCE: City of Grover City Planning Department, 1985

TABLE 15  
RESIDENTIAL LAND BUILD-OUT CAPABILITY BY ZONING  
SOUTH OF GRAND AVENUE -- 1985

Area	Zoning	# Units Existing	# Vacant Lots	Acres	# Underdeveloped Lots	Acres	Present Capacity # Units
2	R-A	0	1	.5	1	5.2	8
	R-1	259	4	1.2	4	6.8	299
	R-2	38	2	.6	17	2.9	83
	R-3	424	6	1.2	75	11.3	745
3	R-A	33	2	4.5	27	155.2	240
	R-1	143	7	2.1	15	15.8	195
	R-2	414	7	1.2	134	8.3	587
	R-3	272	4	1.7	18	3.8	391
4	R-2	47	1	.2	13	2.3	302
	R-3	234	10	1.4	107	18.3	568
<b>TOTALS</b>		<b>33</b>	<b>3</b>	<b>4.7</b>	<b>28</b>	<b>160.4</b>	<b>248</b>
		<b>402</b>	<b>11</b>	<b>3.3</b>	<b>19</b>	<b>22.6</b>	<b>494</b>
		<b>499</b>	<b>10</b>	<b>2.0</b>	<b>151</b>	<b>11.2</b>	<b>872</b>
		<b>930</b>	<b>20</b>	<b>6.1</b>	<b>200</b>	<b>33.4</b>	<b>1,646</b>
<b>TOTAL</b>		<b>1,864</b>	<b>44</b>	<b>16.1</b>	<b>398</b>	<b>227.6</b>	<b>3,418</b>

SOURCE: City of Grover City Planning Department, 1985

The current zoning map and land use plan for the City appear to be adequate for purposes of housing supply for the short-term, with the exception of the probable need for single-family sites zoned for mobile homes. The need for monitoring housing activity cannot be over-emphasized. To avoid incremental rezoning decisions, the Land Use Ordinance and zoning map should be periodically scrutinized to reflect changing conditions and amended as necessary.

The southeastern portion of the City has historically been prone to these incremental rezonings. To prevent this in the future, a Specific Plan is being prepared that is expected to be in effect by January 1987. This Specific Plan will control densities, street configuration, and lot sizes throughout most of the land zoned R-A south of Grand Avenue.

## B. HOUSING AS A REGIONAL PROBLEM

Regional urban housing needs have been acknowledged by leading authorities on housing and regional affairs, and they have called for regional action to meet these needs. Grover City and the surrounding environs have long been known as the "Five-Cities Area" with little separation between one city and another. Because housing is a basic necessity, jurisdictional boundaries do not apply to overall housing need. The housing market will become even more regional as transportation systems improve.

In 1980, AB 2853 was passed which required all Councils of Governments to develop regional allocations of housing needs for all income levels. The purpose of the plan is to examine regional housing needs and to allocate a fair share of the projected regional need to each local government. Each jurisdiction is then responsible for developing programs in their Housing Elements to attain the designated distribution of low, moderate, and above moderate housing units in their area.

The definitions given below are based on definitions contained in the California State Health and Safety Code (Secs. 50079.5, 50093 and 50105). The statutory definitions provide that each household size has its own income ranges. The income ranges for a four person household are the following:

- |                       |  |
|-----------------------|--|
| Very Low Income       | -- Income not exceeding 50% of the median family income of the county.   |
| Other Lower Income    | -- Income between 50% and 80% of the median family income of the county. |
| Moderate Income       | -- Income between 80% and 120% of the median income of the county.       |
| Above Moderate Income | -- Income above 120% of the median income of the county.                 |

The income ranges for other household sizes are calculated using household size adjustment factors. For example, the income ranges for a one-person household are .7 times the income ranges for the four person household for that income level.

Table 16 indicates that Grover City has the highest percentage of low and very low income households of any city in the county. The projections for 1989-1992 indicate that Grover City, in order to meet fair share allocations, would have to decrease the percentage of very low income housing from 35% to 27% of the total. The percentage of moderate income households would have to be slightly decreased, while the percentage of above moderate income households would have to increase from 26% to 38%.

## C. HOUSING STOCK QUALITY

Housing stock quality figures reflect a trend in the city in which deteriorated housing has increased even though dilapidated units have decreased. The reason for units deteriorating are usually the lack of maintenance and old age. The reasons units continue in a state of ill repair are usually social and economic.

TABLE 16  
FAIR SHARE HOUSING ALLOCATION PLAN

Estimated Households on January 1, 1984 by Income Group  
and  
Projected Households on July 1, 1989 through July 1, 1992  
with Income Group Allocations

Area	Income Group	Households					Percentages	
		1984	1989	1990	1991	1992	1984	1989-1992
Arroyo Grande	Very Low	1,156	1,332	1,358	1,384	1,411	24	25
	Other Lower	578	799	815	831	846	12	15
	Moderate	1,060	1,066	1,086	1,108	1,129	22	20
	Above Moderate	2,023	2,132	2,173	2,215	2,257	42	40
	Total	4,817	5,329	5,432	5,538	5,643	100	100
Atascadero	Very Low	1,356	1,859	1,909	1,959	2,010	21	25
	Other Lower	646	1,116	1,145	1,175	1,206	10	15
	Moderate	1,421	1,487	1,527	1,567	1,607	22	20
	Above Moderate	3,035	2,975	3,054	3,135	3,215	47	40
	Total	6,458	7,437	7,635	7,836	8,038	100	100
El Paso de Robles	Very Low	1,285	1,666	1,743	1,822	1,900	22	28
	Other Lower	596	774	810	846	883	13	13
	Moderate	1,055	1,368	1,432	1,496	1,561	23	23
	Above Moderate	1,652	2,142	2,241	2,342	2,443	36	36
	Total	4,588	5,950	6,226	6,506	6,787	100	100
Grover City	Very Low	1,319	1,104	1,122	1,139	1,157	35	27
	Other Lower	565	613	623	633	643	15	15
	Moderate	904	818	831	844	857	24	20
	Above Moderate	980	1,554	1,578	1,604	1,629	26	38
	Total	3,768	4,089	4,154	4,220	4,286	100	100
Morro Bay	Very Low	1,556	1,409	1,423	1,438	1,452	36	31
	Other Lower	562	682	689	696	703	13	15
	Moderate	951	909	918	927	937	22	20
	Above Moderate	1,253	1,546	1,561	1,577	1,592	29	34
	Total	4,322	4,546	4,591	4,638	4,684	100	100
Pismo Beach	Very Low	947	946	964	981	999	33	30
	Other Lower	402	473	482	491	500	14	15
	Moderate	717	531	642	654	666	25	20
	Above Moderate	803	1,104	1,124	1,145	1,165	28	35
	Total	2,869	3,154	3,212	3,271	3,330	100	100
San Luis Obispo City	Very Low	4,912	4,680	4,750	4,821	4,893	34	30
	Other Lower	2,023	2,340	2,375	2,411	2,446	14	15
	Moderate	2,600	3,120	3,167	3,214	3,262	18	20
	Above Moderate	4,912	5,460	5,541	5,625	5,708	34	35
	Total	14,447	15,600	15,833	16,071	16,309	100	100
San Luis Obispo Unincorporated	Very Low	4,956	7,214	7,479	7,750	8,021	21	25
	Other Lower	4,484	4,328	4,488	4,650	4,812	19	15
	Moderate	4,012	5,771	5,983	6,200	6,417	17	20
	Above Moderate	10,149	11,542	11,967	12,400	12,833	43	40
	Total	23,601	28,855	29,917	31,000	32,083	100	100
COUNTY TOTAL	Very Low	17,487	20,210	20,743	21,294	21,843	27	27
	Other Lower	9,856	11,125	11,427	11,733	12,039	15	15
	Moderate	12,720	15,170	15,586	16,010	16,436	20	20
	Above Moderate	24,807	28,455	29,239	30,043	30,842	38	38
	Total	64,870	74,960	77,000	79,080	81,160	100	100

Note: 1984 figures are estimates  
1989-1992 figures are projections.

SOURCE: San Luis Obispo Area Coordinating Council

Many families cannot afford maintenance, lack the skills necessary to maintain their homes or do not care about housing condition. The apathy of some landlords toward rental housing adds greatly to the problem.

Neither pride of ownership nor pride of one's community can be legislated; however, people can be made aware of ways limited finances can be utilized to improve the appearance and liveability of their home. Pride remains a positive motivation to maintain homes, regardless of the size and value of the property involved. This feeling of pride carries to the community level.

#### D. STEPPED HOUSING

A major problem which hinders attainment of choice and mobility for many families is the current low availability of "stepped housing". Stepped housing is defined as housing to which a family moves in order to improve their living conditions. A family may want to move from a smaller to a larger home during the normal growth of the family. Likewise, a family whose children have left home may desire a smaller, less expensive home. There may not be sufficient housing within a price or size range to meet these new requirements.

#### E. HOUSING VACANCIES

The lack of stepped housing inhibits mobility in the housing market for many. Low vacancy rates may have a similar effect by limiting choice as an ingredient of the renting or purchasing process. This is especially true in the lower price categories. Low vacancies within certain price ranges also are an indirect reason for the perpetuation of concentrations of low income families in specific neighborhoods and resultant segregation within the community at large.

#### F. PROBLEMS AND OBSTACLES AFFECTING MULTIFAMILY DEVELOPMENT

Several conditions can combine to create impediments to the location of multifamily housing within the community. They often are reflected in the application of zoning policy and concern, both real and imagined conditions which must be made the subject of careful scrutiny if multifamily housing is to assume its essential role in meeting housing needs.

The conditions described in this section strongly suggest that a new and comprehensive set of standards must be developed for the location of multifamily housing as part of the policy framework of the General Plan.

##### 1. The Zoning Process

Current zoning provisions provide for the application of zoning districts in specific areas of the City. If a developer desires to construct multifamily units in areas not currently zoned for these uses, the alternative is to seek a zone change in accordance with the objectives of the particular district desired. This procedure is both logical and desirable since it is intended to assure that major changes in multifamily policy will result only from careful evaluation and a determination that sufficient evidence does support the need

for change. Problems arise not from this procedure but from inappropriate use of the procedure to cover major land use policy considerations which should be considered independent of and prior to an application for a zone change.

## 2. The Single-Family Bias

Homeownership is a significant hallmark of our society and is synonymous with the single-family detached residence. The pursuit and achievement of the goal of homeownership has contributed to our society but it also has influenced some people to think anything else is a mark of second class citizenship. There are legitimate considerations to single-family bias and these include the desire to protect one's property values, the mobility of the population, the result of strong negative attitudes that multifamily housing will produce over-crowding and potential substandard conditions.

Regardless of the factors which contribute to these attitudes, it is important to break down attitudinal barriers if the challenge of housing need is to be met. As is discussed in the next section on the impact of changing population characteristics, a bias against alternative housing types is a bias against the needs of single adults, against young married couples, against middle-aged couples who no longer need a single-family home, and against retired persons and couples whose fixed incomes and life-style no longer allow single family detached housing as a consideration.

## G. THE IMPACT OF CHANGING POPULATION CHARACTERISTICS AND HOUSING TYPES ON HOUSING NEEDS

### 1. Changing Population Characteristics

Accompanying the trends of increased multifamily development are recent trends in population characteristics. Noted especially are the following:

- (1) More young adults have their own apartments.
- (2) The median age at marriage has increased.
- (3) The divorce rate has increased and more people are choosing to live alone.
- (4) The number of elderly, as a percentage of the population, is increasing.

These changing population characteristics, in combination with factors of cost and life style, would indicate that additional multifamily housing developments could be forthcoming.

### 2. Changing Housing Types

The current market for housing types is as follows:

- (1) Single family homes, where possible, are constructed in developments of 15 or more. High land, labor, and material costs, combined with City-required off-site improvements, dictate that a minimum number of homes must be built and sold to recoup costs.

- (2) Multiplexes of two-to-four units are increasing in number and are outpacing single-family construction.
- (3) Mobile homes constitute a small but growing local component of the market.

Housing types having potential for development in Grover City include condominiums, townhouses, mobile homes within mobile home parks and on single-family residential lots, and factory-built modular housing.

### 3. The Condominium and Townhouse

The condominium presents an important alternative to current housing types because it can combine the advantages of single-family ownership with the economics and amenities of good quality multifamily site development.

The townhouse is another housing variation with advantages similar to condominiums. The difference between the townhouse and the condominium is ownership. The townhouse owner has full interest in the site which it occupies whereas the condominium owner has only a common undivided interest in the entire development site.

Although these types of housing represent relatively new concepts in housing (introduced within the last 20 years), the response to them has been excellent in major metropolitan, urban and resort areas of California.

### 4. Mobile Homes

The mobile home industry is a modern phenomenon. California is ranked third behind Florida and Texas in the top ten states in mobile home sales.

The bias against mobile homes originated when trailers were located indiscriminately on single lots within the community. Mobile homes within mobile home parks have been readily accepted. Mobile home parks generally reflect good design qualities and provide a wide range of special services to occupants. The modern park is a complete housing complex, and is sometimes categorized as multifamily development because of the density of development rather than type of housing unit.

Mobile homes offer special attractions to people who are priced out of conventional housing markets. Units typically range from 12-foot wide single units of 720 square feet to 36 foot-wide units up to 2,500 square feet. They come fully equipped, and often are fully furnished at prices in the low to moderate income affordability range. Newer designs feature one and one-half story arrangements with patio deck, and include 3 to 4 bedrooms and 2 baths.

Mobile homes appeal to young families and retirees in the 65 to 74 age bracket. This type of housing is affordable by young single adults and families as first units. The popularity for retirees continues to increase as more people retire at an earlier age and wish to reduce the amount of upkeep normally associated with single family detached housing. Retirement at or before age 60 is becoming increasingly common.

existing parks are marginal in size and character as compared to the newer and more spacious parks generally found in California. Objectionable aspects of mobile homes range from structural appearance to the impact on the local tax structure. Today's models are vastly different from earlier models in exterior design, quality and utility. Structural objections are being overcome by the industry while building codes have been strengthened to insure greater safety. The objection that mobile homes yield lower direct tax revenues than conventional housing will become increasingly less valid as the effects of recent state legislation regarding mobile homes are known. This legislation (SB 1004 of 1979 and SB 1422 of 1980) makes all new mobile homes sold for the first time on or before July 1, 1980, subject to the same property tax rates applied to conventional dwellings.

Population density in mobile home parks compares favorably with multifamily construction and as a result have a less significant impact on public services and facilities than conventional single family housing. Mobile home subdivisions where spaces are owned rather than rented may have higher public service cost but are also likely to occupy land having a higher taxable value. The same will be true for mobile homes on individual single family lots as permitted under state legislation.

Current policy in Grover City allows mobile homes on lots zoned for single family homes. However, they must be placed on a permanent foundation, meet the same minimum setbacks and parking requirements as a single family home, and be at least 1,000 square feet in area.

## 5. Factory-Built Housing

Factory-built housing has long been considered as having potential for meeting community long-term housing needs. The concept of factory built housing implies that all or at least certain major components of the home are mass-produced and shipped to a site prepared for specialized assembly.

While progress in the development of factory built housing has been slow and costly, industry spokesmen are confident that feasible "factory-built" approaches will be developed for large-scale application with a great variety of choice to meet consumer tastes in style and quality.

Factory built homes are likely to be advantageous in terms of cost to both the developer and the subsequent owner or renter. Savings in materials and labor for the developer can be partially passed on to the owner or renter of the home.

The City of Grover City shall actively encourage the use of factory-built techniques as long as this type of proposal meets all state laws, city zoning ordinances, and all applicable building codes.

## H. GOVERNMENTAL CONSTRAINTS

### 1. Governmental Requirements and Review Time

Uncertainty about whether a proposed housing project will be approved by a governmental agency, how long the process will take, and whether completed units will sell in a fluctuating money market can all act as deterrents to building new housing.

A developer will usually pass on the cost of holding property to the purchaser of the unit. The longer it takes to develop and sell housing, the more it costs. The "holding period" is often devoted to securing permits from governmental agencies, a process that normally involves consideration of the project's effects on the circulation system, public facilities and services, and the environment.

If a government review process is needlessly lengthy or if the developer fails to incorporate the needed "lead time" for project approvals into the development program, increased housing prices and rents or decreased housing production may result. While public review of projects is essential to protect a variety of public interests, the duration of such review should be no longer than necessary to fulfill the mandates of adopted public policy.

If the prospect of being granted a permit in a timely fashion is uncertain, developers must consider that uncertainty in cash flow calculations before deciding to undertake development. If uncertainty is high, higher prices will result. If uncertainty becomes too great, developers may decide not to build at all.

Funding programs applicable to Grover City and San Luis Obispo County are summarized in Appendix C. There are two primary government programs which directly apply to Grover City, the Housing and Community Development Act of 1974 and the San Luis Obispo City Housing Authority. In addition, the city can use building code enforcement and other programs to assist housing programs.

## 1. The Housing and Community Development Act of 1974

This act effectively replaced existing Housing and Urban Development (HUD) categorical programs. The act returns funds to localities in block grants to be used judiciously in meeting the needs of low and moderate income families. Grover City and San Luis Obispo County must apply for "discretionary" funds which are monies left after all other entitlement claims have been met. In recent years there have been no such funds for San Luis Obispo County and no locality in the county had applied. Currently, the City Housing Authority and Grover City have applied for funding. It has been determined by HUD that the allocation formula has been inequitable in the past and that more discretionary funds will be available to rural counties in the future.

In order to be considered for funding, a locality must prepare a Housing Assistance Plan which shows how the funds would be used to meet housing objectives. Eligible activities include: property acquisition, code enforcement, demolition or rehabilitation, and projects to remove architectural barriers for the elderly and handicapped.

HUD encourages area housing councils concerned with regional needs and is willing to work closely with such councils in their housing assistance applications.

## 2. The San Luis Obispo City Housing Authority

This agency was originally established as a housing authority for the City of San Luis Obispo but now serves communities within the county. The primary program of the San Luis Obispo Housing Authority is the Section 8 rent subsidies program. Funds available in the county assisted 715 families (208 elderly

households and the handicapped, and 507 low income families) in 1985. The Housing Authority offers a limited means of aiding a portion of Grover City's needy households. The Authority does not have the means or services available which could provide extended services to Grover City beyond the Section 8 program.

Under the Section 8 program, the rent subsidy is paid to the landlord. Table 17 shows the eligibility requirements that apply for the Section 8 program.

According to the 1985 income estimates for Grover City, approximately 30 percent of the city's households were eligible for Section 8 rent subsidies. There are 151 contracts (half payment of one-half of the rent) within the city under the Section 8 program of which 47 contracts are with the elderly and handicapped and 104 contracts are with low income families. This represents 21 percent of the entire Section 8 contracts in the county. This clearly demonstrates elderly and low income family need in the city.

TABLE 17

SAN LUIS OBISPO COUNTY HOUSING AUTHORITY  
ELIGIBILITY REQUIREMENTS, 1985

Number of Persons	Moderate to Lower Income*	Very Low Income*
1	\$14,850	\$10,700
2	\$16,950	\$12,250
3	\$19,100	\$13,750
4	\$21,200	\$15,300
5	\$22,550	\$16,500
6	\$23,850	\$17,750
7	\$25,200	\$18,950
8	\$26,500	\$20,200

\*These figures are based on county estimated income statistics and are subject to change

SOURCE: San Luis Obispo City Housing Authority

### 3. Building Code Enforcement

While government programs provide funding for housing needy families, the city's building code enforcement program is primarily responsible for insuring that existing families live in standard housing. The code enforcement program is responsible for an average of 4 to 5 demolitions per year. Substandard units are brought to the attention of the code enforcement officer by real estate agents, tenants, neighbors and agencies of the city government. The primary reasons for demolition include the lack of foundation or a rotten structure. Most demolitions are voluntary but this is not always the case. Because

substandard housing constitutes a large share of the city's low income housing, people who are displaced must find other marginal housing. The number of demolitions can be expected to increase both as the housing stock ages and as vacant land diminishes. Already, new construction occurring within substandard areas is forcing owners to either upgrade units or demolish them.

#### 4. Other Programs

The Farmer's Home Administration financed the construction of many low and moderate income units within Grover City in the early 1970's. HUD, however, placed the Five-Cities area in 1976 into a single urban classification with a population greater than 20,000. Such urban places no longer are eligible for Farmer's Home Loans, which are intended for rural areas.

### I. HOUSING QUALITY AS RELATED TO LOW INCOME GROUPS

From the data contained in Table 16 and from the City Housing Authority, it is estimated that 30 percent of Grover City families can be economically classified as poor. Typically, these families live in areas which have higher unemployment rates. These areas also are disproportionately composed of young persons, members of large families, female heads of household, and minority groups. In addition, they exhibit significant differences from non-poor residents with characteristics such as higher fertility ratios, lower educational attainment, and generally worse housing conditions. Additional factors affecting the poverty/inadequate housing relationship are:

- (1) Since the poor must pay less for housing, the most obvious loss they suffer in housing is an aesthetic one.
- (2) Partly as results of aesthetics and loss of neighborhood social values, the homes and neighborhoods of the poor seldom carry special dignity or status in the larger community. While this may not seem to be a problem as compared to the physical aspects of housing, it may be an important factor in the social or psychological dimensions of housing and may serve to intensify the feelings of helplessness and despair on the part of lower income families.
- (3) Lower income people generally do not perceive the condition of their housing in the same manner as experts evaluating general community housing characteristics.

Family size and income are critical factors in the ability to pay for housing. Large, poor families pay a higher percentage of their incomes for housing which is most often deteriorated or dilapidated than do smaller, moderate income families. As long as chronically low incomes and unemployment continue, and as long as poverty-level family size remains high, there will be increasing problems in finding adequate housing beyond the current low-supply/high demand situation for low-income housing.

The elderly and households with female heads are two other groups which are prone to a higher incidence of poverty. Many elderly are retired and have fixed

incomes. They live in older homes and usually cannot afford rehabilitation of their homes (if they own them), or cannot afford increased rent (if they rent) to cover costs of rehabilitation.

## J. NON-GOVERNMENTAL CONSTRAINTS

Since 1975, housing costs have escalated at a rate significantly higher than personal income. Consequently, more and more people are being priced out of the housing market. Housing prices have risen more than 100 percent over the last eight years. Factors influencing rising costs can be grouped under four broad categories: 1) building materials; 2) construction labor; 3) financing costs; and 4) land prices. While the discussion following refers to the construction industry generally, it is also applicable to the Grover City housing market area.

### 1. Building Materials

Construction costs are among the most rapidly increasing areas affecting the purchase price of new homes. Increases in just about all types of building materials have been contributors to rising costs of building.

Prices of construction materials were relatively stable during the 1950's and well into the 1960's. In the thirteen years from 1955 to 1968, the Engineering News-Record (ENR) construction materials price index increased by 15.8 percent. Since 1968, however, the index has increased by more than 60 percent.

Price increases were rather gradual for certain building products in the early 1980's; brick and concrete prices have risen about 1 percent per year; floor tile about 1.5 percent and metals about 2 percent per year. A new round of price increases occurred during the first half of 1984 when several industries announced substantial price boosts for their products. Among these were gypsum products, up 10 percent; window glass, up 5 percent; and copper wire, up 7 percent to 15 percent.

### 2. Construction Labor Costs

Construction labor cost is a critical ingredient in spiraling housing costs because it comprises from 50 percent to 60 percent of total construction costs. Although labor has become less demanding within the past year due to high unemployment within the trade, average salaries plus benefits for union construction labor ranges between \$13 and \$16 per hour (in 1985 dollars). Most independent contractors cannot afford to pay union scale and hire non-union workers. Most of these contractors pay between \$5 and \$9 per hour.

### 3. Home Financing

Mortgage money is the life-blood of housing; without it, even a strong housing demand means little. In the early 1980's mortgage rates skyrocketed, some rising to more than 20%. Since then, rates have fallen sharply, and in early 1986, single digit rates were fairly easy to find. Variable interest rates which rise and fall with economic conditions may permanently replace fixed interest rates. These conditions have increased greatly the cost of housing,

making it much more difficult for prospective homebuyers to qualify for loans, and thus narrowing the range of housing opportunities available to middle-income as well as lower income families. For those buyers who qualify for higher interest loans, a much greater portion of income must be spent on mortgage payments, leaving proportionately less money available for any repairs or improvements which may be needed.

#### 4. Land Cost

It makes little difference to the homebuyer whether the spiraling cost of new housing is due to increasing cost of money, materials, labor or land. The fact is that all of these, plus others in the aggregate have doubled the cost of housing since 1975. In the Grover City area, the cost of land is probably the single most significant factor in the price of new housing. While the cost of new housing is approximately the same as in San Joaquin Valley markets, the cost of land is almost twice as expensive. Prices for unimproved residential property in Grover City generally starts at \$40,000 per lot south of Grand Avenue and \$45,000 per lot north of Grand Avenue (in 1985 dollars).

## VI. THE HOUSING PROGRAM

### A. HOUSING GOALS AND POLICIES

The housing goals and policies which evolved during the preparation of this Housing Element recognize three basic principles:

- (1) They are worthy of achievement over time regardless of the factors which might act as obstacles under current conditions.
- (2) They will require periodic reexamination to determine the needed adjustments to reflect technological, economic and social changes.
- (3) They reflect varying degrees of responsibility among the several levels of government and the private sector which are necessary for their achievement.

The policies reflect the special attention given to identifying the role of city government, either as a catalyst, supporter, coordinator or responsible party for community action programs. A major premise is that local government exists to provide a variety of services needed by the local population but local government does not provide the solutions to all problems. Likewise, the state and federal government does not solve those problems nor meet those needs which require action at the local level and which are either wholly or largely within the capability of local government. In addition, the private sector of the economy and a wide variety of community organizations have responsible roles to play and in some cases those roles should be paramount in meeting certain needs of the community.

Finally, problems and needs are not likely to disappear, nor can the community afford to ignore them simply because they may be controversial, difficult to solve, or require a substantial commitment on the part of the people of the community to effectively deal with them.

The following problem areas have been identified as major concerns. Specific goals and policies are recommended for each area.

1. Comprehensive Housing Strategy
2. Housing Availability
3. Housing Affordability
4. Housing Quality
5. Housing Location
6. Community Development
7. Citizen Participation

## 1. Comprehensive Housing Strategy

Goal 1: It is the goal of Grover City to develop and maintain a housing strategy which will coordinate the efforts of the public and private sectors.

Policy 1: The Housing Element will be reviewed on an annual basis to ensure its consistency with other General Plan Elements. On an on-going basis the Planning Department, in coordination with the Building Department, will monitor any land use changes, construction rates for different housing types, land area still available for each housing type, any changes to existing laws or new legislation that would provide funds for needed housing construction.

Policy 2: Intergovernmental coordination will be encouraged with the goal of the preparation of an area-wide housing element for the Five Cities area. Toward this end, Grover City will cooperate with the County, the San Luis Obispo County Area Planning and Coordinating Council in the formation of a housing market area data base and in promoting the regional housing element.

Policy 3: The city will annually develop a Housing Assistance Plan as required by Title I of the HCD Act of 1974.

## 2. Housing Availability

Goal 2: It is the goal of Grover City to provide existing and future residents with a sufficient quantity and variety of housing opportunities.

Policy 4: The city will support and enforce federal and state anti-discrimination laws including: Title IV of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the Unruh Civil Rights Act of California, and the California Fair Housing Act.

Policy 5: The city will require the availability of temporary emergency housing in cases where public projects result in the removal of housing units prior to the availability of adequate replacement housing.

## 3. Housing Affordability

Goal 3: It is the goal of Grover City that every family will have the opportunity to live in sound housing of adequate size at a reasonable cost relative to its income.

Policy 6: The city will evaluate all applicable federal and state housing programs assisting in the provision of rental and purchased housing for low and moderate income families.

Policy 7: The city will encourage development of alternative housing types which have potential for providing housing for low and moderate income families including mobile, modular, and manufactured

housing. In conjunction with this policy, city ordinances will be reviewed and modified as needed to ensure that potential obstacles to these housing types are minimized.

Policy 8: The city will actively pursue the development of subsidized housing for low and moderate income families. This includes but is not limited to activities of the San Luis Obispo City Housing Authority, lease subsidies, and low interest loans from federal and state programs and foundation grant programs.

Policy 9: The city will encourage new and innovative methods of housing design and construction including cluster development to reduce costs. Emphasis will be placed on maximizing the amenities of privacy, aesthetics, open space, and upgrading community character.

#### 4. Housing Quality

Goal 4: It is the goal of Grover City to provide, protect, and preserve sound housing.

Policy 10: The city will continue code enforcement programs with emphasis on rehabilitating or eliminating all physically substandard housing units.

Policy 11: The city will encourage the public and private sectors to sponsor programs to keep older homes in good repair and to provide residential conservation activities such as house painting, fence construction, landscaping, and yard clean up.

Policy 12: The city will investigate programs to provide low interest rehabilitation loans from Community Development Block Grants, Revenue Sharing funds and any other available sources.

#### 5. Housing Locations

Goal 5: It is the goal of Grover City to provide adequate sites and locational choices to meet the housing needs of present and future residents.

Policy 13: The city will plan for adequate sites for all types of housing by monitoring trends and subsequent amendments of the General Plan and Zoning Ordinance when necessary.

#### 6. Community Development

Goal 6: It is the goal of Grover City to develop a comprehensive urban service delivery system commensurate with the level of quality desired by the residents of the community.

Policy 14: The city will guide the location and design of new housing construction, primarily using the Zoning Ordinance. Emphasis will be on residents' convenient access to recreation, employment, shopping and educational facilities.

- Policy 15: The city will give priority, through its Capital Improvement Program, to those residential areas most in need. Primary emphasis will be placed on expansion of the sewer service district and on needed road improvements.
- Policy 16: Where possible, assessment districts will be used to provide capital improvements.
- Policy 17: The city encourages the establishment of area-wide and regional urban services policies, plans and programs which provide the most efficient use of housing resources. To this end, the continuation and expansion of the intra-regional public transportation system is supported.

## 7. Citizen Participation

- Goal 7: It is the goal of Grover City to establish a citizen participation process to aid decision makers in the development of housing plans and policies.
- Policy 18: The city will seek the input of all individuals, citizens' groups, private industry and the housing development community.

## B. HOUSING PROGRAMS

In addition to adoption of the preceding goals and policies, Grover City will carry out the following housing programs within the five-year planning period of this Housing Element. A list of federal and state housing assistance programs available to San Luis Obispo County is provided in Appendix B as a supplement to Grover City's Housing Element. Refer also to the next chapter for implementation procedures (in lieu of programs) for many of the goals and policies contained in the previous section.

- Program 1: A Development Review Committee will be established consisting of the Community Development Director/Public Works Director, Public Works Superintendent, Building Inspector, City Engineer, City Planner, and the Fire Marshall. This committee will discuss and review development proposals in order to assist the Planning Staff in preparing staff reports and making recommendations to the Planning Commission. This program will be on-going and will be used to evaluate residential as well as other development proposals.
- Program 2: The city will actively cooperate with private, non-profit housing assistance organizations such as People's Self-Help Housing, Inc. to provide new moderate-cost housing opportunities. The Planning Staff will meet with such organizations to identify sites and possible funding sources for such housing. This program will take place at any time both Planning Staff and the private organizations feel that funds can be obtained.

- Program 3: The city will continue to streamline the planning review and building permit process. Methods used will include consolidation of paperwork, more efficient use of staff time and more effective communication between city staff and applicants. The city's goal will be to reduce the average total time of the development review process (from submittal of application to issuing of permits) by 3 working days by the end of the 5-year planning period of this element.
- Program 4: Pursuant to California Government Code Section 65852.2 (a) the city shall continue its program to allow second residential units in R-1 zones. Second units, commonly called Granny Flats, must conform to all the stipulations put forth in Article IV, Section 6.5 of the Grover City Zoning Ordinance. This program is intended to provide housing for persons 60 years of age or older. This is an on-going program with the goal of establishing as many second units as are economically and physically feasible for owners of single family homes on R-1 lots.
- Program 5: The city planning department will act as an advisory center to help eligible applicants and developers obtain funds for rental and homeowner assistance programs. This shall be an on-going program. Information and assistance will be given to all who request it.
- Program 6: The developer who is able to offer low or moderate cost housing for sale or rent resulting from reductions in development standards or requirements, increases in density, or other concessions permitted by the city will be required to record a deed restriction restricting the units' price and/or rental rates. Sales price or rental rates will be limited to the original cost or rental rate plus amounts based upon the county's cost of living increase and upon the cost of any major improvements.
- Program 7: Housing which provides living accommodations for persons of low and moderate income shall not be demolished unless:
- (1) It is necessary to demolish for health and safety reasons as evidenced by the determination of the Chief Building Inspector that it is substandard (in accordance with the criteria set forth in Chapter 10 of the Uniform Housing Code) and the cost of remedying the code violations would;
    - (a) result in housing which is not affordable to low and moderate income households; or
    - (b) exceed 50 percent of the assessed value of the structure in its present condition.
  - (2) It is necessary to carry out a public project which would improve coastal access; or

- (3) Where development of an equal or greater number of low and moderate income housing units have been approved within 12 months prior to city approval of demolition; or
- (4) The unit to be demolished is owner occupied housing; or
- (5) The unit to be demolished is a non-conforming use subject to the zoning map and/or Land Use Plan; or
- (6) The unit being demolished will be replaced with one or more rentals available to families of low and/or moderate income.

## VII. IMPLEMENTATION

After a Housing Element has been adopted, the greatest challenge to the local planning agency is to promote coordination of the programs of many governmental agencies whose activities affect the development patterns of the planning area. Coordination at the local level appears relatively simple because local agencies are oriented to similar issues; however, in practice these local agencies do not always report directly to the same legislative body for complete policy direction and the activities of agencies are not coordinated.

Planning agencies have limited capability to influence action by other governmental agencies. Since the planning agency is advisory to the legislative body, it must look to the City Council for policy directives establishing the framework within which other agencies may work with the planning agency towards the achievement of overall goals.

The responsibility for carrying out the Housing Element rests primarily with the city, but many agencies of local and county government are necessarily involved. Agencies include but are not limited to county government, the school districts, the San Luis Obispo County Area Planning and Coordinating Council, the Local Agency Formation Commission and the San Luis Obispo City Housing Authority. Formalization of referral procedures between agencies will improve coordination, but procedures alone will not get the job done unless there is a common understanding of the plan and a commitment at all local policy levels to work cooperatively toward plan implementation. In some cases, agreement and cooperative effort can be achieved through memoranda or official resolution; in others, it will require formal agreements specifying levels of responsibility, cost sharing, time schedules and priorities.

### A. FINANCIAL PLAN

The most important decisions of local government are those which determine the services to be provided and the activities to be regulated. Of the many service requirements of a growing population and resultant housing demand, those involving capital expenditures for public facilities are of particular importance. The framework for the systematic development of needed public facilities is provided by the financial plan. The financial plan has three major elements: 1) the capital improvements program; 2) the public services program; and 3) the revenue program.

The capital improvements program is a priority list of public improvements which will be needed over a five year period. From this list, projects are selected and recommended to the legislative body for inclusion in the annual budget. Each year, the program is extended to include potential future projects. Financial data, including revenue estimates, costs of capital projects and operating costs of projects once they are completed, becomes a vital part of the program. Fiscal requirements for operating and maintaining public services and improvements are balanced with anticipated revenues through the public service and revenue program components of the financial plan.

The role of the Planning Commission in this process is to review all proposed projects to determine their conformity with policies of the Housing Element; to

list and classify all proposed projects, and to recommend a coordinated program of public works projects for the ensuing fiscal year. All public agencies, including school districts and other special districts, must by law, submit capital improvement projects to the city for review. Thus, the local planning agency becomes an important tool of government management.

The financial plan also encourages public understanding of major problems faced by local government which provides for the needs of an expanding population and economy.

## B. ZONING

Properly conceived and administered, the zoning ordinance becomes an important means of translating Housing Element proposals into reality. The scope of zoning is limited, exclusively regulating use of private property for a short period of time. Zoning is specific and precise and cannot be substituted for non-regulatory programs such as the financial plan, referral, and the preparation of more detailed plans establishing the feasibility and basis for development of major public facilities. This relates to all elements of the General Plan and particularly to the Housing Element.

Controversies which develop in applying zoning regulations often are a result of lack of attention to the role of non-regulatory programs in shaping community development patterns. A Planning Commission and City Council can attempt to force urban land use patterns in certain directions and at certain intensities, but if the areas cannot economically be serviced with sewer facilities, if access is poor or non-existent, if the surrounding area is badly blighted or if there appears little prospect of other complementary facilities developing in the vicinity, the patterns may not be adopted.

The Grover City Zoning Ordinance was adopted in July, 1975, and subsequently amended, and is well suited as an implementing tool. There are provisions however which appear to be needed to better reflect policies and proposals of the Housing Element;

- (1) Additions to the statement of purposes and objectives of the ordinance calling for the development of specific plans for various areas of the community is recommended.
- (2) Allowing "zero lot line" single-family housing in districts zoned "R" as a conditional use is recommended.
- (3) Reducing minimum lot area and minimum site area in the M-H District to 5,000 square feet should be considered.
- (4) In areas where no substantial public improvements have been made, the new areas of low density residential development are encouraged to take the form of clustered housing or planned unit development.

## C. SPECIFIC PLANNING

The use of the specific plan is recommended as a means to manage and improve the urban area on a neighborhood-by-neighborhood basis. The specific plan can identify existing deficiencies and disparities in urban services, improve governmental response to the needs of the people, and refine General Plan policy to the neighborhood level.

The procedure for the preparation, adoption and administration of specific plans is provided in the State Planning Law. Section 65450.1 of the Government Code permits the designation of specific plan areas within the community. Section 65451 prescribes the content of specific plans as follows:

"Such specific plans shall include all detailed regulations, conditions, programs and proposed legislation which shall be necessary or convenient for the systematic implementation of each element of the general plan listed in Section 65302, including but not limited to, regulations, conditions, programs and proposed legislation in regard to the following:

- (a) The location of housing, business, industry, open space, agriculture, recreation facilities, educational facilities, churches and related religious facilities, public buildings and grounds, solid and liquid waste disposal facilities, together with regulations establishing height, bulk and setback limits for such buildings and facilities, including location of areas, such as flood plains or excessively steep or unstable terrain, where no building will be permitted in the absence of adequate precautionary measures being taken to reduce the level of risk to that comparable with adjoining and surrounding areas.
- (b) The location and extent of existing or proposed streets and roads, their names or numbers, the tentative proposed widths with reference to prospective standards for their construction and maintenance and the location and standards of construction, maintenance and use of all other transportation facilities, whether public or private.
- (c) Standards for population density and building density, including lot size, permissible types of construction, and provisions for water supply, sewage disposal, storm water drainage and the disposal of solid waste."

The content of specific plans will, of necessity, vary among neighborhoods of the community, depending on the policies and proposals of those General Plan elements which effect the neighborhood and the character of the neighborhood. Specific plans for older areas will focus on ways to improve existing conditions, while specific plans for new or developing areas will focus on aesthetic and environmental issues. Specific plans prepared for such areas as the Central Business District, Grand Avenue or neighborhood shopping areas either can be separate from or a part of other specific plans.

## D. THE RENEWAL PROCESS

In order to carry out the Housing Element goals, policies and programs, the city and the private sector must undertake jointly a broadly based and unified

approach to achieve the gradual renewal of deteriorating portions of the community. The term "renewal" refers to a wide variety of actions, both public and private, which will improve blighted areas. Community blight is due to many factors, including age of structure, inadequate street improvements, the unavailability of sewer and drainage utilities, incompatible arrangements of land use and years of neglect in the maintenance of properties. Blighted housing areas are concentrated in Census Areas 2 and 3 south of Grand Avenue but are also apparent in all quadrants of the community's fringe. Pockets of substandard housing serve as obstacles to achieving many objectives of the General Plan, particularly those objectives which seek to improve the quality of life for the people who now reside in blighted housing. These pockets also serve to discourage investment in new residential, commercial and industrial development, in public improvements, and to stand as a constant reminder that the planning process cannot benefit the community if the planning process concentrates only on newly developing areas.

The process of blight is slow and is often detected after substandard conditions set in. Several older housing areas of the community exhibit this phenomenon of gradual deterioration.

#### E. ANNUAL REVIEW AND PERIODIC UPDATE OF THE HOUSING ELEMENT

Alertness to changing conditions and unforeseen impacts is essential for any planning program. Whether due to rapid population increase, industrial development, or changes in the tax system, the city's planning program must respond to shifts and unanticipated developments. Accordingly, the Housing Element is based on the soundest information and judgement available but it must be kept up to date. At five year intervals, the Plan will be reevaluated and revised as necessary. The Plan also will be reviewed annually, preferably during the winter season prior to formulation of the city's financial plan and annual budget. In addition to responding to changing conditions, the review process will provide an opportunity to evaluate progress toward Plan implementation and to establish new or revised targets and programs for accomplishment.

#### F. PUBLIC PARTICIPATION

In order to ensure that the Grover City Housing Element incorporated adequate input from all segments of the community, a citizen's advisory committee was formed at the time the element was originally prepared (1976). The tasks of the committee were to develop goals and policies, and to review the Housing Element prepared in response to the goals and policies. A series of widely advertised public hearings before the city Planning Commission and City Council provided further opportunities for citizen input into the Housing Element development. The same series of widely advertised public hearings will be employed for the current revision and any future revisions of the Housing Element.

As part of development of the Local Coastal Plan, a citizen's advisory committee formulated goals, policies and actions with regard to housing needs in the Coastal Zone. The Housing Component of the Local Coastal Plan supercedes the

Housing Element in the Coastal Zone only. The Planning Commission and City Council adopted the Housing Component of the Local Coastal Plan in 1980; public participation was provided through the Local Coastal Planning process.



## APPENDICES



## APPENDIX A

### GLOSSARY



## GLOSSARY

Affordable housing - Housing available to low and moderate income persons at a cost not greater than 25 percent of gross household monthly income.

Article 34 - Article 34 of the State Constitution requires local voter approval before a housing authority may develop, acquire, or construct a conventional, low-rent housing project.

Buildable Land - Land upon which development is allowed.

Cluster development - Rather than spreading houses uniformly over an entire piece of land, the developer builds at higher densities in certain areas and preserves open space in others.

Consumer price index - Prepared monthly by the Federal Bureau of Labor Statistics, it is described as "statistical measure of changes in prices of goods and services bought by urban wage earners and clerical workers." It measures the relative change in the average price of a group of 400 goods and services.

Density transfer - Cluster development is based on density transfer - overall density is the same as if lots are all one size but the lots in the developed area are smaller than normally allowed.

Equity - The interest or value which an owner has in real estate over and above the liens against it (i.e., mortgage, taxes, judgements, etc.)

Family - One person living alone or two or more persons related each to all others by blood, marriage or legal adoption, or a group of (no more than five) unrelated persons living in a single dwelling.

Gross rent - Represents the contract rent plus average monthly cost of utilities.

Household - The persons who occupy an individual housing unit. Thus, the total number of households is equal to the total number of occupied housing units.

Household head - The person regarded as head by the members of the household.

Housing unit. A group of rooms or a single room usable as separate living quarters. A housing unit may be vacant, occupied by a family, family and unrelated persons living together, a group of unrelated persons living together, or by one person.

In-fill building - Development on vacant or under used sites located in existing communities. These communities are limited by the urban reserve or village reserve lines as shown in the county Land Use Element.

## Housing Quality

Descriptive terms are defined as follows:

Sound units have no defects, or have minor defects which could be corrected by normal maintenance.

Deteriorating units generally need more repair than can be accomplished by the owner and would create a financial burden for many families.

Dilapidated units have deteriorated to a level that threatens the safety of their occupants and may cause loss of the building if not repaired soon.

Low and Moderate Income - Income categories are defined by the Department of Housing and Urban Development as follows, based on the total annual income for a four person family:

Very low income	50% of median income
Low income	50-80% of median income
Moderate income	80-120% of median income
High Income	120% and above of median income

Manufactured Housing - Constructed off-site, typically in a factory. Includes mobile homes, modular homes, component and unitized housing.

Median income, rent, sales price, etc. - That point in a range of figures above and below which exist an equal number of figures - the mid-point. For example: The county's median income figure, estimated by HUD to be \$14,500 in July 1979 means that 50 percent of the residents make more and 50 percent make less.

Moratorium - A suspension of building activity, usually due to a scarcity of resources.

Retaliatory eviction - eviction as direct retaliation for complaining about rental property conditions.

Section 8 - A federal grant subsidy program for lower-income families which helps them afford decent housing in the private market.

Speculation - Investment in a commodity with the expectation of profiting from market fluctuations, generally within a short period of time.

Standard Metropolitan Statistical Area (SMSA) An SMSA consists of a county or group of counties containing at least one city having a population of 50,000 or more plus adjacent counties which are metropolitan in character and are economically and socially integrated with the central city. San Luis Obispo County is not an SMSA.

Subdivision - The division of any improved or unimproved land for the purpose of sale, lease or financing.

Subsidized housing - Housing that is made affordable to low and moderate income persons with the aid of a variety of public and private programs.

Substandard housing - Housing in need of significant structural or electrical/plumbing system repairs. This housing threatens the health and safety of its occupants.

Urban reserve line - Boundary between urban land uses and rural countryside. Defines primary area for urban growth during 20 year horizon of the Land Use Element.

Village reserve line - Villages are areas in the rural countryside where homes are grouped in settlements which are of greater density than surrounding rural areas, but are not self-sufficient communities. The village reserve line establishes where a settlement, or village stops and the country starts.



APPENDIX B  
HOUSING ASSISTANCE PROGRAMS

Excerpted from Technical Report on Housing, October, 1979, prepared by the San Luis Obispo County Planning Department, pages 57-66



FUNDING PROGRAMS APPLICABLE TO SAN LUIS OBISPO COUNTY

FEDERAL PROGRAMS

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
Section 8 (cat. #14.156)	Low-income rental assistance.	Low-income families	<ul style="list-style-type: none"> <li>. Must not be paying less than 15% nor more than 25% of their gross incomes for rent.</li> <li>. Disperses low-income housing throughout area.</li> <li>. Must use a H.A.P. to determine program mix.</li> </ul>
Section 106 (b) (cat. #14.141)	Seed money loans for pre-construction services.	Non-profit sponsors planning low and moderate income housing projects.	<ul style="list-style-type: none"> <li>. Loans made only in conjunction with 202 loans for elderly and handicapped.</li> <li>. Must be used with Section 8.</li> </ul>
Section 202 (cat. #14.157)	Direct loans for housing for the elderly or handicapped.	Private non-profit sponsors to finance rental or cooperative housing.	<ul style="list-style-type: none"> <li>. 100% financing at 6.87% for 40 years.</li> </ul>
Section 203 (b) (cat. #14.117 & cat. #14.118)	1-4 family home mortgage insurance.	All families.	<ul style="list-style-type: none"> <li>. Provides mortgage insurance.</li> </ul>
Section 203 (i) (cat. #14.121)	1 family home mortgage insurance.	All families.	<ul style="list-style-type: none"> <li>. Specifically for homes in rural areas.</li> <li>. 5 acres or more.</li> </ul>
Section 207 (cat. #14.134)	Mortgage insurance for multi-family housing and mobile-home parks.	Private sponsors	<ul style="list-style-type: none"> <li>. Must be at least 8 units.</li> <li>. Must be in an approved FHA area for rental housing.</li> <li>. Market conditions must show a need for this housing.</li> </ul>

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
Section 213 (cat. #14.115)	Federal mortgage insurance to finance cooperative projects.	Non-profit corporations.	. Must be for the construction or rehab. of cooperative housing projects of 5 or more units.
Section 221 (d)(2) (cat. #14.120)	Homeownership for low and moderate-income families and for those displaced by government action.	Low and moderate income families.	. Provides mortgage insurance on loans to finance, purchase, or construction.
Section 221 (d)(3) (cat. #14.137)	Multi-family rental housing for low and moderate income families.	Mortgages obtained by public agencies and non-profit agencies.	. Must contain at least five units.
Section 221 (d)(4) (cat. #14.135)	Mortgage insurance for moderate income rental units.	Profit motivated sponsors.	. Provides insurance to profit-minded sponsors with loans up to 90% of cost.
Section 223 (f) (cat. #14.155)	Mortgage insurance for existing multi-family rental housing.	Investors, builders, and developers.	. Designed to provide propertyowners with money to rehab. projects without the need to increase rent levels.  . Projects must contain eight or more units; and  . Must be at least 3 years old.
Section 231 (cat. #14.138)	Mortgage insurance for housing for the elderly or handicapped.	Investors, builders, developers and public agencies.	. Provides mortgage insurance for construction or rehab. of multi-unit housing for elderly or handicapped.

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
Section 233 Experimental Housing (cat. #14.152)	Mortgage insurance innovative construction designed to reduce housing costs and raise living standards.	All applicants.	<ul style="list-style-type: none"> <li>. Advanced technology or experimental neighborhood design required.</li> <li>. Rehabilitation or new construction.</li> </ul>
Section 233 Multi-Family Experimental Housing (cat. #14.154)	Mortgage insurance for innovative construction designed to reduce housing costs and raise living standards.	All applicants.	<ul style="list-style-type: none"> <li>. Advanced technology or experimental neighborhood design required.</li> <li>. Two or more attached units.</li> </ul>
Section 234 (d) (cat. #14.112)	Mortgage insurance for construction or rehabilitation of condominium projects.	Public and private sponsors.	<ul style="list-style-type: none"> <li>. Insures mortgage on project where units are to be less than \$60,000.</li> </ul>
Section 235 (i) (cat. #14.105)	Interest reduction for purchase of condominiums or single family dwelling.	Handicapped or elderly.	<ul style="list-style-type: none"> <li>. Must be approved prior to construction.</li> <li>. May be used for dual-wide mobilehome.</li> </ul>
Section 237 (cat. #14.140)	Mortgage insurance for poor credit risks.	Low and moderate income households with poor credit ratings.	<ul style="list-style-type: none"> <li>. Must not be able to qualify for insurance under normal standards.</li> </ul>
Section 245 (cat. #14.159)	Graduated payment mortgage.	All FHA approved lenders may make mortgage appli. expecting to have increased income may qualify for loans.	<ul style="list-style-type: none"> <li>. A large downpayment required.</li> <li>. Mortgage payments begin at low level and gradually increase.</li> </ul>
Section 312 (cat. #14.220)	Rehabilitation loans. Community Development block grants.	Propertyowners within designated community development areas.	<ul style="list-style-type: none"> <li>. Provides 3% rehab. loans.</li> <li>. To be used to bring property up to local code standards.</li> <li>. Limited loan monies per unit.</li> </ul>

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
Title I, Section 2 (cat. #14.142)	Home improvement, loan insurance.	Propertyowners and tenants whose leases are at least 6 months longer than the loan term.	<ul style="list-style-type: none"> <li>. Provides 12% 12-year loans to property-owners to finance improvements on individual homes.</li> </ul>
Community Development Block Grants/ Small Cities Program.	Non-categorical grant to assist in accomplishing a specific program directed at providing housing principals for low and moderate income.	County or city governments.	<ul style="list-style-type: none"> <li>. May be used for pre-construction work necessary to allow building.</li> <li>. Not for general governmental facilities.</li> <li>. Competitive-demand far exceeds funding.</li> </ul>
<u>Farmers Home Administration</u>			
a) Rural Housing (cat. #10.410)	Homeownership and rehabilitation loans.	Individuals living in rural areas with pop. under 10,000 persons.	<ul style="list-style-type: none"> <li>. House must be modest in size, design, and cost.</li> <li>. Must be owner-occupied.</li> </ul>
b) Guaranteed Housing Loans (cat. #10.429)	Above-moderate income mortgage insurance.	Above-moderate income owner occupied rural residence.	<ul style="list-style-type: none"> <li>. Construction repairs or purchase of home.</li> <li>. Owner not able to obtain conventional financing with reasonable conditions.</li> <li>. Adequate but moderate residence.</li> </ul>
c) Section 504	Home repair loans.	Very low income.	<ul style="list-style-type: none"> <li>. Home repairs must be needed for the health of the family.</li> <li>. Must lack income to repay Section 502 loan.</li> <li>. Must be owner-occupied rural home.</li> </ul>

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
d) Section 515 (cat. #10.415)	Rural rental housing program.	Public and private sponsors for construction or rental and coop. housing for low and moderate income families and elderly persons.	<ul style="list-style-type: none"> <li>. May not pay more than 25% of their adjusted income for rent and utilities.</li> </ul>
e) Labor Housing (cat. #10.405)	Farm labor housing loans.	Anyone interested in providing rental housing for farm-workers.	<ul style="list-style-type: none"> <li>. Housing must be operated on a non-profit basis.</li> </ul>
f) Section 523/ 524 (cat. #10.411)	Technical assistance grants for self-help housing and rural housing site loans.	Public and non-profit groups to enable low income rural residents to build their own homes.	<ul style="list-style-type: none"> <li>. Provides money to the sponsor for hiring counselors and construction supervisors.</li> <li>. Sites financed by Section 524 must be sold to low and moderate income families.</li> <li>. Sites financed with Section 523 loans can only be sold to self-help families.</li> </ul>
g) Water and Waste Disposal Systems for Rural Communities.	FmHA water and sewer loans and grants.	Local public bodies.	<ul style="list-style-type: none"> <li>. Provides grants and loans for construction or improvement of water and sewage facilities in rural areas.</li> </ul>
Veterans Administration Loans (cat. #64.114)	Guarantees loans made by private lenders to veterans of wars.	Veterans, unmarried widows and widowers of otherwise eligible veterans.	<ul style="list-style-type: none"> <li>. Includes loans for homes, mobilehomes for buying, building, altering, repairing or improving.</li> </ul>
Internal Revenue Code, Section 167(k)	Accelerated property depreciation.	Investors interested in rehabilitating existing housing for occupancy by low and moderate.	

STATE PROGRAMS

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
Division of Community Affairs Aftercare Housing Program	Provides Section 8 Assistance to Mentally and Physically Handicapped Outpatients who are unable to afford adequate housing.	Adults who are 1) Mentally disordered, 2) Developmentally disabled or 3) Physically disabled.	<ul style="list-style-type: none"> <li>Funds must be applied for through city and county agencies or through non-profit organizations engaged in providing housing for disabled persons.</li> </ul>
Rural Pre-Development Loan Fund	Provides loans to help local public agencies and non-profit corporations meet preliminary costs for production or rehab. of low-income housing in	Persons of households with annual income not exceeding 80% of the area's median income.	<ul style="list-style-type: none"> <li>Must be in rural area.</li> <li>Housing payments may not amount to more than 25% of the applicant's adjusted income.</li> <li>Loans are for a maximum of two years.</li> </ul>
Home Management Training and Counseling	Direct grants to provide housing counseling to low and moderate income households.	Cities, counties, housing authorities or non-profit developer of low-income housing.	<ul style="list-style-type: none"> <li>Money used to train low-income families in home management, consumer finance and homeownership.</li> </ul>
Farmworker Housing Grant Fund	Provides matching grants of up to 50% to local entities for developing new or rehabilitated housing for low income agricultural employees.	Local public agencies non-profit corporations, cooperative housing corps.	<ul style="list-style-type: none"> <li>Total monthly cost of the housing to farmworker families is not to exceed 25% of adjusted income.</li> </ul>
<u>California Housing Finance Agency (CHFA)</u>			
1. Direct Loans	Loans for development of multi-family mixed income projects and housing for the elderly.	Developers, non-profit agencies, and public agencies.	<ul style="list-style-type: none"> <li>Each project must contain units offered at market rates and those subsidized through HUD's Section 8.</li> <li>At least 30% of the dwellings must be for very low income residents.</li> </ul>

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
2. Single-Family Mortgage	CHFA purchases mortgage loans at below market interest rates on single family homes, with the savings passed on to low and moderate income home buyers.	Low and moderate income home buyers whose adjusted income must amount to no more than 120% of the area median income.  The mortgager's assets may not exceed \$8,999 if he is 62 or older, or \$6,000 if less than 62 years old.	. Mortgages must be insured by the FHA, guaranteed by the VA, or coinsured through private market insurance.  . Property value limits.  . Must be for a residential structure consisting of 1-4 family D:U.S., one of which must be occupied by the mortgager.

Department of  
Veterans Affairs

1. California Farm and Home Purchase Program Allows Cal. Vets. to purchase farm or home property at low-financing cost. Qualified California veterans.
  - . Property value limits.
  - . State holds title to the property until loan paid off.
  - . Property must be a single family dwelling to be used by vet. as residence. Farm property must be adequate to provide a living for the vet.

Department of Aging

1. Numerous programs designed to help the elderly. See the Housing Directory for specifics.

Franchise Tax Board

1. Homeowners and Renters Property Tax Assistance Law. Provides property tax relief and rental assistance. Low income citizens, 62 years and older.

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
2. Senior Citizens Property Tax Assistance	Provides for the state to pay a portion of the property tax on a home depending on the value of the home.	Must be 62 years or older, be a resident of California.	<ul style="list-style-type: none"> <li>. Must have a H.H. income of no more than \$12,000/yr.</li> <li>. Own home for full yr.</li> </ul>
3. Renter's Assistance	Provides relief to renters.	Persons 62 years or older.	<ul style="list-style-type: none"> <li>. Must be California residents.</li> <li>. Must have occupied rental or California residence during the year claimed.</li> <li>. Must have paid at least \$50/mo. in rent for the year claimed.</li> <li>. Must have had an income of household for the calendar year claimed of not more than \$5,000.</li> </ul>
4. Renter's Credit	Those who file an Income Tax return are eligible to receive money back if they were renting on March 1st of the year claimed.	California renters.	<ul style="list-style-type: none"> <li>. Various other criteria: check housing directory.</li> </ul>
5. Homeowner's Property Tax Exemption	Provides for a specified amount of the assessed value of the property to be exempt from the property tax.		<ul style="list-style-type: none"> <li>. Various other criteria: check housing directory.</li> </ul>

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
<u>Financing at Local Level</u>			
1. General Obligation and Revenue Bonds.	Cities issues bonds for municipal improvements.	Cities	<ul style="list-style-type: none"> <li>General obligation bonds must be approved by 2/3 vote of local electorate.</li> <li>Revenue bonds only require approval by a majority of the voters.</li> </ul>
2. Marks-Foran Residential Rehabilitation Act	Enables communities to use their borrowing power to provide financing for low and moderate income housing at below market rates.	Cities, counties, housing authorities and redevelopment agencies.	<ul style="list-style-type: none"> <li>Loans made in areas designated for residential rehabilitation.</li> <li>Community must make a commitment to enforce rehab. standards on 95% of the structures in the rehab. area and to provide the public improvements necessary to support rehabilitation.</li> </ul>
3. Senate Bill 99	Allows redevelopment agencies to issue bonds in order to provide long-term, low interest loans to finance residential construction in redevelopment areas.	Redevelopment agencies.	<ul style="list-style-type: none"> <li>Available at below market rates for construction of new housing in previously designated redevelopment areas.</li> <li>Requires a referendum vote before bonds may be issued.</li> <li>Needs a redevelopment district and the adoption of a redevelopment plan.</li> </ul>

PROGRAM TITLE	GENERAL DESCRIPTION	WHO'S ELIGIBLE	CRITERIA
<u>Other Rehabilitation Programs</u>			
4. Direct Grants	Provides funds for correcting code violations to owners of low income housing who meet financial eligibility criterial.	Landlords or owner-occupied rehab. housing.	<ul style="list-style-type: none"> <li>Grant funds paid directly to contractor.</li> </ul>
5. Direct Deferred Rehab. Loans	Interest-free loans given for making needed repairs to elderly and low income homeowners or landlords.	Elderly or low income homeowners or landlords.	<ul style="list-style-type: none"> <li>Most effective when used with cooperative housing or as a supplement to other programs.</li> </ul>
6. Refinancing (Section 223 (f)	Refinancing of units to provide funds for rehabilitation of housing.	Homeowners	<ul style="list-style-type: none"> <li>Loan need not be repayed as long as the resident owns and occupies the property.</li> </ul>
7. Leaseback	A non-profit corp. sells revenue bonds.	Non-profit corporation.	<ul style="list-style-type: none"> <li>Controls on rent increase so that rehab. can occur without hardship to renters.</li> </ul>
8. Financing 11 (b)	Permits public housing agencies to finance both non-profit and profit motivated Section 8 projects at tax-exempt rates of interest.	Housing authorities.	

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